

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

BOROUGH OF SAYREVILLE SCHOOL DISTRICT

CHRISTINE TODD WHITMAN
Governor

JAMES A. DIELEUTERIO, JR.
Treasurer

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GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Borough of Sayreville School District

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making State Government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the State had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple, to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach, combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, the State gives local governments a comprehensive management review and consulting service at no cost. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those State regulations and mandates which place burdens on local governments without value added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a community or a school district to participate in the Local Government Budget Review (LGBR) program, a majority of the elected officials must request the help of the review team through a public resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the Review Team, and to agree to an open public presentation of the Review Team's findings and recommendations.

As part of the review of the Borough of Sayreville Public School District, review team members interviewed board of education members, central office and school administrators, supervisors, teachers, district employees, parents, association officers, local elected and appointed officials, county and state education personnel and community members. The review team received full cooperation from the superintendent and all district staff members, elected officials, community members, and all others interviewed. It was a pleasure to work with the people in the Sayreville community.

The review team reviewed various documents including budget statements, audit reports, annual financial statements (CAFR), collective bargaining agreements, various reports to the State, payroll records, personnel contracts and files, vendor and account analyses, board policies and meeting agendas and minutes, long range plans and numerous other documents. The review team visited all seven school sites, the central offices, and observed work procedures throughout the system. Team members observed board of education meetings and other meetings during the term of its fieldwork, as well.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or tax rate. These estimates have been developed in an effort to provide the district an indication of the potential magnitude of each issue and the savings or cost potential to the community. We recognize that all of these recommendations can not be accomplished immediately and some of the savings will occur only in the first year. Many of the suggestions will require negotiations through the collective bargaining process. We believe the estimates are conservative and achievable.

In addition to the Findings and Recommendations section, this report contains two sections entitled Best Practices and Statutory and Regulatory Reform. Best Practices identifies areas that the district does exceptionally well and cost efficiently that may be replicated by other school districts. Statutory and Regulatory Reform identifies areas brought to the attention of the review team where State laws and rules may cause inefficiencies and may be considered for change.

It is with the cooperative spirit exhibited by the people of the Sayreville School District that the review team anticipates acceptance of most of its findings and recommendations.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
SAYREVILLE BOROUGH SCHOOL DISTRICT**

Local Government Budget Review (LGBR) of the New Jersey Department of the Treasury conducted an extensive study of the Sayreville Borough School District in response to a request from the Sayreville Board of Education. Some 28 areas were reviewed resulting in cost savings and/or managerial reform. Six areas were recognized as “best practices” along with other commendations cited in the findings and one recommendation for possible State regulatory or statutory reform. The following is an executive summary of the findings and recommendations and dollar savings as appropriate:

1. Benchmarking/Comparative Analyses

Statistical data of school districts comparable to Sayreville School District is provided as a basis for making many of the recommendations contained in the report.

2. Administration

A review of the administrative organization of the district was made which revealed that the number of administrators and the cost of administrative services were appropriate for the district.

3. Board/Administration Relations

A recommendation was made to request the assistance of the NJSBA to assist the board and the administration in defining their respective roles and to help in developing a productive working relationship between the two. Since there are three new members on the board, a workshop dealing with the function of a board of education would be worthwhile.

4. Staffing

The ratio of students to teachers was reviewed and the findings indicated that Sayreville’s class size, at all levels, is larger than the state average. The district’s median salary is higher than the median salary for teachers in the State, which is attributable to the experience level of the staff in Sayreville.

5. Hiring Practices

Guidelines concerning the placement of staff new to the district are contained in the negotiated agreement. The report recommends the adoption of an anti-nepotism policy as part of the district’s hiring policy.

6. Board Member Expenses

Expenses related to board functions were reviewed and found to be reasonable. Appropriate policies are in place governing these expenses.

7. Collective Bargaining Agreements

The report reviewed the four negotiated agreements in effect in the district and recommended the elimination or modification of a number of provisions, which are too costly or exceed the acceptable standards that exist. Potential savings of \$353,430 were identified as well as enhanced productivity resulting from reductions in personal leaves, vacation and holiday provisions.

8. Cash Management

The chief financial officer of the borough serves as the treasurer of school funds and manages the district's investments in a competent and effective manner.

9. Business Office

A review of the business office operation indicated that the district was not utilizing current technology in its business operations. The systems used rely primarily on manual procedures in the compilation of data.

10. Insurance

The school district utilizes the services of insurance brokers to ensure that coverage is adequate and the brokers regularly test the market for the most competitive premiums for the district. Recommendations including expanded employee co-payments in health, dental and prescription premiums are proposed which would result in savings from \$592,500 to \$727,500.

11. Audit Report

A review of the audit report indicated that the recommendations made by the independent auditor were being addressed in a corrective action plan.

12. Legal Services

LGBR recommends that the board develop a written contract with its attorney and also seek proposals from other law firms from time to time. Additionally, the school district should request more detailed billing statements from its attorney in order to identify ways it could reduce its legal costs. Potential savings of \$16,379 are presented for board consideration.

13. Custodial and Maintenance Services

After analyzing the cost of custodial services and comparing them with industrial standards, LGBR recommends that the district explore the privatization of this service either totally or for a portion of the work. Other recommendations are made addressing the excessive overtime costs for custodial and maintenance services. Savings are proposed ranging from \$298,000 - \$1,064,000.

14. Special Education

The team commends the district for the efficient practices it has instituted in meeting its staffing needs in Special Education and for striving to provide programs within the district for classified students. Recommendations are made in the report to establish additional pre-school programs in the district in order to reduce the cost of private school tuition for these students. Potential savings of \$106,000 are recommended.

15. Basic Skills

The Basic Skills Improvement Program was reviewed and found to be operating in an efficient manner. The factors contributing to the relatively high cost of this program are legitimate and serve the needs of the student population.

16. English As a Second Language (ESL)

The review team recommends the inclusion of the ESL program in its technology improvement plan in order to improve the quality of this program. In addition, a recommendation is made to improve the delivery of this program to students and to utilize the teacher's time more effectively. Recommended savings range from \$1,700-\$11,100.

17. Guidance

The team commends the district for its use of private contractors in providing a Student Assistance Counseling Program. It is recommended that the district seek other proposals for this service for comparative purposes.

18. Athletics and Extra Curricular Activities

The district provides an extensive program of activities for students in the high school and the middle school. The team recommends that the district budget a more realistic amount for athletic transportation than has been the practice based on their experience.

19. Library and Media Services

Recommendations are included in this section addressing facility needs, staffing needs and improvements necessary to provide the level of technology required to meet core curriculum standards.

20. Health Services

A review of the health services program revealed that a full-time certified nurse is employed in each school in the district. The team recommends that the school district seek proposals for its medical inspector services and establish a written contract defining these services.

21. Technology

During the course of the review, the team found that the level of technology in use in the district is below that which exists in comparable districts in the state and the recommendation is that this deficiency should be addressed.

22. Transportation

The team commends the district for its use of various provider sources to meet its student transportation needs. It is recommended that the transportation department upgrade its communication system to the same system used by the police department. The team also recommends that the district eliminate a portion of its courtesy busing and replace it with a subscription program which would result in savings ranging from \$171,000-\$342,000.

23. Photocopiers

An analysis of the copier equipment located in the district and its cost was compiled and a comparison of these costs with a "cost per copy" contract was made. Based on 1996-1997 costs, a recommendation to utilize the State's cost per copy contract is made which would result in a saving of \$74,063.

24. Telephones and Cellular Phones

The team reviewed the telephone costs in the district for the 1996-1997 school year. The costs were not excessive. However, it was recommended that a policy on telephone use be established. Savings related to the use of directory assistance and cellular phones were made which would result in savings of \$2,732.

25. Food Services

The school district operates its own lunch program as an enterprise fund and the program more than covers its expenses. The team recommends that the district eliminate paid police supervision of the high school lunch program and assign teaching staff members to assume this duty. The savings resulting from this change amount to \$17,200.

26. Energy Efficiency

Sayreville's Multi-Year Comprehensive Maintenance Plan was reviewed and a recommendation was made that the district contract with an engineering firm to conduct an energy audit.

27. Building Security

The schools utilize security cameras and an intercom system to control access to the buildings during the school day and an intrusion alarm system is used when the buildings are not occupied. The intrusion alarm system is connected to the police department.

28. Shared Services

LGBR commends the district for the initiatives it has taken in identifying and implementing shared services with the municipality, with neighboring school districts and with county organizations. The review team endorses the concept of sharing resources and there are recommendations in the report to expand the sharing of services to achieve greater efficiency.

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COMMUNITY OVERVIEW

The community of Sayreville is located in central New Jersey, in Middlesex County. The borough is easily accessible to New York City (45 minutes) and to Philadelphia (45 minutes) via the New Jersey Turnpike. The Garden State Parkway and Routes 9 and 35 intersect the borough providing access to other areas of the State. Sayreville is adjacent to the communities of South Amboy and Old Bridge. Woodbridge and Perth Amboy are nearby. The borough encompasses an area of 17.1 square miles.

Sayreville continues to be a growing community. According to the 1990 United States Census Report, the population of Sayreville grew from 29,969 in 1980 to 34,986 in 1990 and the estimate for 1994 was 36,405. This reflects a population density of 2,168.67 per square mile. With the continued availability of residential housing, it is estimated that the population will continue to grow. The borough is governed by a mayor and six council members. There is an Administrator who supervises all borough employees and operations.

The continued growth in the community is reflected in the school population, which also is growing. In the 1994-1995 school year the enrollment was 4,787 students. In the 1996-1997 school year the enrollment was 4,939 students, an increase of 152 students over two school years, representing a 3% growth. Current school district projections indicate continued growth in school enrollment over the next five years.

According to the 1990 census the racial composition of Sayreville includes 89.10% White, 4.01% Hispanic, 3.23% Black, 3.02% Asian/Pacific Islander, 0.11% American Indian and 0.53% other. 78.53% of the population are 18 years and older and 14.88% of the adult population are college graduates.

The 1990 census reports that the median family income in Sayreville was \$52,367, the per capita income was \$18,297 and there were 1,076 persons in poverty. The median value of a single family home was \$156,800. 68.01% of the assessed valuations in the Borough are residential and 5.70% are apartments.

The Sayreville School District operates four elementary schools, a middle school and a high school with a total in-district enrollment of 4,940.5 students for the school year 1996-1997. An additional 136 students with special needs were placed in out-of-district public and private schools during that school year. The following table lists the schools, the grade organization and enrollment for the 1996-1997 school year:

School	Grade Organization	Enrollment
Arleth	K- 4	502
Eisenhower	K - 4	562
Truman	K - 4	630
Wilson	K - 4	447
Sayreville Middle School	5 - 8	1514
Sayreville War Memorial High School	9 - 12	1282.5

The average class size in the elementary school is 24.24 students, in the middle school the average class size is 23.25 students and in the high school the average class size is 22.06 students. Included in the high school average are the small group basic skills classes and remedial classes, which are offered in language arts and mathematics to provide special assistance to students who are experiencing difficulties. The class size figures for the high school do not include Special Areas classes such as music, fine, home and industrial arts and physical education. Sayreville's class size is larger than the State averages as indicated on the 1996-1997 New Jersey School Report Card.

According to the 1996-1997 School District Budget the Sayreville School District employed 474 full-time employees and 59 part-time employees. This figure included 360 certificated staff members and 173 non-certificated staff members.

The Borough of Sayreville is a growing suburban community, composed primarily of residential housing. Its proximity to New York and Philadelphia and its convenient access to the major highways and mass transportation systems in central New Jersey account for its population growth. The community has witnessed a decline in the industrial sites, which had contributed significantly to the development of Sayreville. The governing body is committed to attracting new ratables and to redeveloping existing industrial tracts in order to stabilize the tax base in the borough. The school district occupies an important position in the community and residents are proud of the quality of education provided. The support of the community is necessary if the school district is to continue to provide an educational program consistent with the demands of society.

I. Best Practices

An important part of the Local Government Budget Review (LGBR) report is the “Best Practices” section. During the course of each review the LGBR team identifies practices, procedures and programs which are noteworthy and deserving of recognition. These best practices are presented to encourage their replication in other school districts throughout the state. By implementing these practices, school districts can benefit from the LGBR process and improve their own operations.

A primary purpose of the review is to make recommendations to improve efficiency. In Sayreville, the team found many examples of cost effective practices already in place and some of these practices are included in this section of the report. This district is most conscientious in its pursuit of cost effective methods to achieve its mission and the board and staff should be commended for their efforts. Just as the review team is not able to identify every area of potential savings it cannot cite every area of effective cost savings. The following are those best practices and programs recognized by the team for their accomplishments and cost effectiveness.

Student Transportation

The Sayreville School District provides an extensive transportation program for its students which combines district operated equipment with private contracted routes, as well as several jointure agreements. In a recent report issued by the New Jersey Commission of Investigation about New Jersey’s school transportation industry, a number of improprieties were uncovered. Among the recommendations made by the commission to provide a competitive environment and to minimize cost was for districts to maintain some measure of publicly owned transportation. This is very effectively being done by the Sayreville School District.

Sayreville School District’s transportation program provides the district with the flexibility of choosing the most cost effective means of transporting each route. It also places the contractors on notice that they are not the only option available. The transportation coordinator determines which routes to contract out and which to assign to district vehicles. The coordinator has the advantage of knowing what the contract price would be and what it would cost to assign the route to a district vehicle.

Sayreville also participates in a Roundtable Transportation Group with nearby communities which has saved the district \$35,000 in the 1997-1998 school year.

Student Assistance Counselors

Counseling services to provide student addiction programs are contracted through the University of Medicine and Dentistry of New Jersey (UMDNJ). The equivalent of 2.5 counselors work with students to teach them appropriate coping and decision-making skills. By contracting for this service instead of hiring staff, the district estimates an annual saving of \$27,200.

Volunteerism

The Sayreville School District advocates the use of volunteers in the operation of its schools whenever it is practical to do so. In the elementary and middle schools, members of the PTA work in the libraries every day that school is in session, under the direction of the librarians, assisting in the library program. As a result of the dedication of these volunteers, the elementary libraries are open five days a week, even though the two elementary librarians split their time between four schools. PTA members are also assigned to the middle school to assist the librarian.

In the elementary schools, PTA members volunteer every day to assist the one school secretary by performing a variety of clerical duties. The school district is able to provide necessary support services for students and parents, because of the assistance of these volunteers, and to realize a savings of \$84,000, which is the total cost for an additional clerical employee in each elementary school.

Special Education

The Sayreville School District employs three full-time child study teams to provide evaluation, classification and counseling services for its special education population. In addition to these nine staff members, the district also contracts with certified psychologists, learning disabilities teacher consultants (LDTC) and social workers, who work on a per case basis, to ensure that the district provides necessary services in a timely fashion. These private contractors work with district team members on new evaluations and re-evaluations, as well as providing counseling services as called for in the Individual Educational Plan (I.E.P.).

During the 1996-1997 school year, the school district utilized the services of ten private contractors: three LDTCs, three school psychologists and four social workers. The combination of district child study team members with private contractors provides the district with flexibility in meeting the needs of its students in a cost effective and timely manner and results in a savings to the district of \$15,000.

Food Services

The food services program employs approximately 45 people to prepare and serve lunches in the six schools in the district. In this group there are three full-time employees and the rest are considered part-time. During the last five years, the district has eliminated the full-time employment status of the majority of this staff and converted these positions to part-time. By converting these positions, the district realized a significant savings in health benefits, since part-time employees are not entitled to paid benefits. Assuming, conservatively, that these employees had single coverage, the district has realized a savings of over \$120,000 per year.

Student Council

The Sayreville War Memorial High School student council is a very active organization, whose 60 members take and promote great pride in their school. Thanks to the efforts of the student council, Sayreville has been named an Honor School by the New Jersey Association of Student Councils for the past 36 years. The student council is active in promoting school spirit and pride not only among the student body, but in the community as well. A large focus of their activities is on providing services to the schools and the community. Such service-oriented activities include holiday visits to hospitals, earth week activities to beautify and cleanup the school grounds, presentations to the elementary and middle school students on the dangers of drug abuse, and various charitable fund-raising activities. The student council members also conduct an Activities Program at the middle school to foster an interest in the vast array of extra-curricular activities available to those students when they enter the high school.

Sayreville is a culturally diverse and close-knit community. This is mirrored in the student council, which strives to encourage a sense of unity and pride among its student body and within the community. The student council conducts a freshman orientation program to welcome the students and encourage student acceptance and individuality. They participate in Sayreville's Annual Community Unity Day. To encourage interaction and foster better understanding and empathy among its older and younger citizens, Junior/Senior dances are held at the senior citizen center, attended by high school students and senior citizens.

School spirit is high in Sayreville, in large part, as a result of the efforts of the student council, and the strong support of their dedicated advisors and administrators.

II. OPPORTUNITIES FOR CHANGE/ FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the district and its taxpayers.

From the outset of this study, it was apparent that the district had made a concerted effort to institute cost saving measures aimed at controlling operational costs while maintaining educational standards designed to meet the needs of its students. A number of these cost saving efficiencies are recognized in the Best Practices section of this report and others are cited throughout the report. A telling indicator of the conservative approach that this district has taken is the fact that it has the lowest per pupil cost of the 84 K-12 districts in its enrollment category in the 1998 Comparative Spending Guide, published by the New Jersey State Department of Education. In reviewing staffing patterns, the team found that 93% of the districts in this enrollment category do not have as high a ratio of students to employees as Sayreville. The district is to be commended for the steps it has taken, on its own, to control costs and for the cooperation given to the review team during the course of this study.

Areas were found where savings could be generated and recommendations for change are noted that could result in reduced costs in those areas. Where possible, a dollar value has been assigned to each recommendation to illustrate potential savings. These recommendations for savings are considered to be conservative estimates and the time it will take to implement them will depend on their priority. Nevertheless, the total savings and revenue enhancements should be viewed as attainable goals. It is recognized that a number of the recommendations are subject to the collective bargaining process and, therefore, may not be implemented until the next round of negotiations. Some recommendations will result in one time savings, while others will provide ongoing benefits. The strategies contained in these recommendations are designed to produce improvements in budgeting, cash management and cost control.

In some cases, recommendations may result in increased costs. When this occurs, these costs are identified and included in the total savings calculation.

COMPARATIVE ANALYSES

Many of the recommendations contained in this report are based on comparative analyses using New Jersey Department of Education data, in comparison with districts of similar size and demographics. Comparisons of this nature are valuable for the purpose of this report. The Department of Education, however, does not intend these to be used by the district to gauge adequacy or efficiency. Other data sources are used such as district documents, various state agencies, state education associations, publications and private industry. School districts used for comparison with Sayreville include South Plainfield, Bloomfield, Nutley and Lacey Township K-12 districts with enrollments of more than 3,500 students (84 school districts). The following charts illustrate much of the data used:

SCHOOL DATA COMPARISON BASED ON AUDIT REPORT AND REPORT CARDS AS OF JUNE 30, 1997

	Sayreville Boro	S. Plainfield Boro	Bloomfield Twp	Nutley Twp	Lacey Twp
<u>Description</u>					
County	Middlesex	Middlesex	Essex	Essex	Ocean
District Type	II	II	II	II	II
Grades	K-12	K-12	K-12	K-12	K-12
District Factor Group	DE	FG	DE	DE	CD
Cert Employees	359	314	450	306	366
Other Employees	177	125	215	159	239
Total Employees	536	439	665	465	605
 Square Miles	 17.1	 8.2	 5.4	 3	 85
Number of Schools					
Elementary	5	5	8	5	3
Middle	1	1	1	1	1
High School	1	1	1	1	1
Alternative School			1		
Total Schools	7	7	11	7	5
 Student Enrollment (96-97)	 4,944	 3,298	 5,290	 3,797	 4,516
Teacher/Student Ratio					
Elementary	1:24	N/A	1:20	1:19	1:15
Middle School	1:14	N/A	1:24	1:15	1:14
High School	1:13	N/A	1:23	1:15	1:11
Alternative School	-	N/A	1:8	1:9	-
Administrative Personnel					
Number of Administrators	19	18	29.2	20.9	22
Administrator per Students	1:259.9	1:181.9	1:179.5	1:181.8	1:205.3
Administrators/Faculty Ratio	1:17.9	1:14.9	1:13.9	1:12.9	1:14.9
Median Salary					
Faculty	\$57,250	58,750	53,963	61,164	40,617
Administrators	\$84,803	86,973	81,875	85,942	76,831
Median Years of Experience					
Faculty	19	16	16	20	14
Administrators	32	27	26	31	23
Passing HSPT					
Reading	86.90%	87.10%	85.00%	89.70%	89.80%
Mathematics	86.60%	90.50%	93.90%	95.50%	86.60%
Writing	95.40%	93.30%	95.80%	98.40%	92.10%
All Sections	76.10%	78.90%	78.50%	88.20%	75.70%
 High School Graduation	 95.10%	 98.30%	 102.40%	 104.10%	 96.20%
Dropout Rate	1.9%	1.5%	2.6%	1.9%	4.0%
Post Graduation Plans					
4 yr. College/University	46%	48%	53%	70%	42%
2 yr, College	32%	23%	23%	14%	23%
Other Post Secondary School	5%	12%	5%	2%	8%
Military	3%	2%	3%	2%	3%
Full-time Employment	13%	5%	1%	7%	15%
Undecided	1%	10%	15%	5%	9%

COMPARISON OF REVENUES AND EXPENDITURES BASED ON AUDIT REPORT AS OF JUNE 30, 1997

Revenues	Sayreville Boro		S. Plainfield Boro		Bloomfield Twp		Nutley Twp		Lacey Twp	
Local Tax Levy	25,790,091	68.3%	25,867,432	80.1%	34,895,119	78.3%	28,518,923	84.4%	17,342,446	49.0%
State Aid	11,028,076	29.2%	5,161,751	16.0%	7,748,910	17.4%	4,253,521	12.6%	16,308,609	46.1%
Federal Aid	592,863	1.6%	354,677	1.1%	991,020	2.2%	415,789	1.2%	553,298	1.6%
Other	333,194	0.9%	905,776	2.8%	936,453	2.1%	592,390	1.8%	1,159,623	3.3%
Total Revenue	37,744,224	100%	32,289,636	100%	44,571,502	100%	33,780,623	100%	35,363,976	100%
Expenditures										
Regular Program - Inst.	13,516,899	35.0%	12,873,457	40.0%	15,600,284	36.2%	13,592,390	41.4%	11,744,915	37.4%
Special Education	2,085,759	5.4%	2,014,366	6.3%	3,246,499	7.5%	1,434,688	4.4%	2,248,515	7.2%
Basic Skills-Remedial	1,262,808	3.3%	257,592	0.8%	791,503	1.8%	278,143	0.8%	462,675	1.5%
Bilingual Education	80,000	0.2%	43,474	0.1%	293,696	0.7%	138,347	0.4%	29,725	0.1%
Vocational Program	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-
Sponsored Cocur. Activit.	117,740	0.3%	64,930	0.2%	105,911	0.2%	112,070	0.3%	188,528	0.6%
Sponsored Athletics	403,808	1.0%	506,856	1.6%	345,109	0.8%	456,091	1.4%	452,270	1.4%
Other Instruction Program	-	0.0%	2,500	0.0%	-	0.0%	-	0.0%	-	-
Community Services Prog.	3,851	0.0%	-	0.0%	23,118	0.1%	1,764	0.0%	-	-
Total Instructional Cost	17,470,864	45.3%	15,763,174	48.9%	20,406,120	47.4%	16,013,493	48.8%	15,126,628	48.2%
Undistributed Exp. - Ins.	3,606,534	9.3%	806,070	2.5%	2,039,799	4.7%	1,474,291	4.5%	628,017	2.0%
Total Instr. \$\$	17,470,864		15,763,174		20,406,120		16,013,493		15,126,628	
At Sayreville Enroll.	17,470,864		23,632,334		19,072,972		20,852,545		16,561,581	
General Administration	948,189	2.5%	735,160	2.3%	630,891	1.5%	709,214	2.2%	610,619	1.9%
School Administration	1,378,992	3.6%	1,398,845	4.3%	1,856,289	4.3%	1,871,243	5.7%	926,160	3.0%
Total Administration Cost	2,327,181	6.0%	2,134,005	6.6%	2,487,180	5.8%	2,580,457	7.9%	1,536,779	4.9%
Total Administration \$\$	2,327,181		2,134,005		2,487,180		2,580,457		1,536,779	
At Sayreville Enroll.	2,327,181		3,199,326		2,324,691		3,360,235		1,682,562	
Food Service	55,511	0.1%	-	0.0%	-	0.0%	-	0.0%	-	-
Health Service	264,953	0.7%	507,463	1.6%	659,100	1.5%	467,532	1.4%	363,019	1.2%
Attend. & Soc. Work Serv.	10,055	0.0%	98,200	0.3%	-	0.0%	-	0.0%	115,671	0.4%
Other Support Service	1,884,768	4.9%	1,161,376	3.6%	2,378,304	5.5%	1,252,951	3.8%	1,359,306	4.3%
Other - Imp. of Inst. Sev.	405,867	1.1%	435,209	1.4%	905,718	2.1%	331,083	1.0%	1,011,888	3.2%
Media Serv./Sch. Library	378,015	1.0%	387,185	1.2%	583,746	1.4%	669,927	2.0%	434,626	1.4%
Operation of Plant	3,117,644	8.1%	3,278,969	10.2%	4,420,183	10.3%	3,032,535	9.2%	2,655,907	8.5%
Business & Other Support Services	3,560,154	9.2%	3,941,092	12.2%	4,610,372	10.7%	4,009,813	12.2%	5,045,332	16.1%
Total Support Services	9,676,968	25.1%	9,809,494	30.5%	13,557,424	31.5%	9,763,841	29.8%	10,985,749	35.0%
Total Support \$\$	9,676,968		9,809,494		13,557,424		9,763,841		10,985,749	
At Sayreville Enroll.	9,676,968		14,706,507		12,671,706		12,714,336		12,027,887	
Transportation	2,304,540	6.0%	995,742	3.1%	1,728,642	4.0%	838,446	2.6%	1,056,568	3.4%
Capital Outlay	1,176,398	3.0%	617,016	1.9%	410,654	1.0%	319,312	1.0%	406,501	1.3%
Special School	60,296	0.2%	305,287	0.9%	-	0.0%	23,696	0.1%	-	-
On-behalf TPAF Pension	573,235	1.5%	536,568	1.7%	688,811	1.6%	537,168	1.6%	476,801	1.5%
Reimbursed TPAF Pension	1,399,855	3.6%	1,237,780	3.8%	1,719,772	4.0%	1,241,810	3.8%	1,158,592	3.7%
Total Gen. Fund Expend.	38,595,872	100%	32,205,135	100%	43,038,402	100%	32,792,514	100%	31,375,635	100%
# of Students	4,944		3,298		5,290		3,797		4,516	
Per Student Rates										
Inst. Cost Per Student	3,533		4,780		3,857		4,217		3,350	
Admin. Cost Per Student	471		647		470		680		340	
Supp. Serv. Cost Per Student	1,957		2,974		2,563		2,571		2,433	
Total G. Fund Cost Per Stud.	7,806		9,765		8,136		8,636		6,948	

**SAYREVILLE SCHOOL DISTRICT CHANGES IN REVENUES & EXPENDITURES
1996-1997 ALL FUNDS**

	95-96 Actual Amount	96-97 Actual Amount	Difference	Percent Change
REVENUES				
Local Sources				
Local Tax Levy	\$24,275,328	\$25,790,091	\$1,514,763	5.87%
State Aid	10,476,846	11,028,076	551,230	5.00%
Federal Aid	567,265	592,863	25,599	4.32%
Other	542,860	333,194	(209,666)	(-62.93%)
Total Revenue (All Funds)	\$ 35,862,299	\$ 37,744,224	\$ 1,881,926	4.99%
Expenditures				
Regular Program - Inst.	\$12,864,276	\$ 13,516,899	\$ 652,623	4.83%
Special Education	1,977,491	2,085,759	108,267	5.19%
Basic Skills - Remedial	1,242,233	1,262,808	20,574	1.63%
Bilingual Education	77,093	80,000	2,907	3.63%
Vocational Program		-		
Sponsored Cocur. Activit.	139,631	117,740	(21,891)	(-18.59%)
Sponsored Athletics	390,255	403,808	13,553	3.36%
Other Instruction Program		-		
Community Services Prog.	3,458	3,851	392	10.19%
Total Instructional Cost	16,694,438	17,470,864	776,427	4.44%
Undistributed Exp. - Ins.	3,263,172	3,606,534	343,362	9.52%
General Administration	919,043	948,189	29,146	3.07%
School Administration	1,376,444	1,378,992	2,549	0.18%
Total Administration Cost	2,295,487	2,327,181	31,694	1.36%
Food Service	44,807	55,511	10,704	19.28%
Health Service	252,101	264,953	12,852	4.85%
Attend. & Soc. Work Serv.	9,794	10,055	261	2.60%
Other Support Service	1,844,669	1,884,768	40,099	2.13%
Other - Imp. of Inst. Sev.	427,018	405,867	(21,151)	(-5.21%)
Media Serv./Sch. Library	374,461	378,015	3,554	0.94%
Operation of Plant	3,022,861	3,117,644	94,783	3.04%
Business & Other Sup. Ser.	3,344,870	3,560,154	215,284	6.05%
Total Support Services	9,320,581	9,676,968	356,387	3.68%
Transportation	2,096,354	2,304,540	208,186	9.03%
Capital Outlay	978,652	1,176,398	197,747	16.81%
Special School	86,761	60,296	(26,465)	(-43.89%)
On-behalf TPAF Pension	163,442	573,235	409,793	71.49%
Reimbursed TPAF Pension	1,336,671	1,399,855	63,183	4.51%
Total	\$36,235,558	\$38,595,872	2,360,313	6.12%

STATE AVERAGE COMPARISON 1996-1997

	Sayreville	State Average
Administrative Personnel		
Number of Administrators	19	25.2
Administrator per Students	1:259.9	1:166.5
Administrators/Faculty Ratio	1:17.9	1:13.5
Median Salary		
Faculty	\$57,250	\$50,814
Administrators	\$84,803	\$80,881
Median Years of Experience		
Faculty	19	16
Administrators	32	25
Passing HSPT		
Reading	86.90%	83.0%
Mathematics	86.60%	85.9%
Writing	95.40%	90.5%
All Sections	76.10%	74.8%
High School Graduation	95.10%	99.9%
Instructional Time	(Minutes) 301	(Minutes) 328
Student/Faculty Ratio	1:13.6	1:11.7

ADMINISTRATION

In the March, 1998 Comparative Spending Guide compiled by the New Jersey Department of Education, Sayreville Borough School District is included in the K-12 category of districts with enrollments over 3,500 students. The total number of districts in this category is 84. In the indicator comparing administrative cost, Sayreville ranked 2nd in 1995-1996 (ranked low cost to high) with a per pupil cost of \$686, 2nd in 1996-1997 with a per pupil cost of \$681 and 3rd in 1997-1998 with a per pupil cost of \$707. The student/administrator ratio was 1:261 in 1996-1997, which was the 3rd highest of the 84 districts in the comparison and 1:253 in 1997-1998, which was the 2nd highest. The median administrative salary in 1996-1997 was \$84,803 which ranked 51st of the 84 districts in this category (ranked low to high), and \$85,904 in 1997-1998, which ranked 45th. The review team found that the number of administrators in the district was appropriate for a district the size of Sayreville.

Central Office Administration

The central administrative staff in the district consists of four certified administrators; a superintendent, an assistant superintendent, a business administrator/board secretary and an assistant business administrator/board secretary. There are 12 central office support staff. The Department of Special Services is located in the central administration building. The Director of Special Services also serves as the principal of the Selover School, which houses the central administrative staff as well as three pre-school classes. There are four clerical support positions associated with the Special Services Program.

School Administration

The Borough of Sayreville School District operates four elementary schools, grades K-4, a middle school, grades 5-8 and a high school, grades 9-12. Each elementary school has a principal; in the middle school there is a principal and two assistant principals and in the high school there is a principal and three assistant principals. With the exception of one of the high school assistants who is a ten month employee, all of the building administrators are on a twelve month schedule. In each of the elementary schools there is one secretary, which is a ten-month position. In the middle school there are four clerical support positions, three are twelve month employees and one is a ten month position. In the high school there are five clerical support positions, which are twelve-month positions.

Curriculum Supervisors

There are five supervisory positions in the Sayreville School District. Supervisors provide leadership in curriculum development and program coordination as well as observing and evaluating staff. The positions are in the following areas:

- Supervisor of Health and Physical Education- Director Of Athletics - (twelve months)
- Supervisor of Humanities - (ten months)
- Supervisor of Language Arts - (twelve months)
- Supervisor of Mathematics and Business Education - (twelve months)
- Supervisor of Science and Foreign Language - (ten months)

The administrative staffing in the district is organized in an efficient manner and job descriptions are in place which clearly delineate areas of responsibility and line staff relationships. The positions in the administrative organization and their cost are significantly less than the number of positions recommended in the Comprehensive Plan For Educational Improvement and Financing and found in The Comparative Spending Guide March 1998 which are two documents published by the New Jersey Department of Education. The number of positions in place in the administrative organization of the district, are essential to the operation of a district of this size.

Board/Administration Relations

There is a division among the board members concerning the direction the district should be taking. This has evolved into a continuing struggle over the manner in which the board should function and the role of the board in the operation of the district. As a result, a poor relationship exists between some members of the board and some members of the administration. The hostility which exists is evident to anyone attending a board meeting. Such an environment inhibits the ability of the board in accomplishing its goals. In the recent school board election three new board members were elected.

Recommendation:

The board should invite the NJSBA to the district to provide workshops or a retreat dealing with the issues of school board role, function and developing productive relationships. Given the difficulties that the board has had in the past in working together, and with three new members, this would be a good time for such an activity.

STAFFING

In the Comparative Spending Guide published by the New Jersey Department of Education, March, 1998, the Borough of Sayreville School District ranked 6th (ranked high ratio to low) of the 84 comparable districts in the category of Student/Teacher ratio for the 1996-1997 school year. Sayreville's ratio of students to teacher was 16.2:1 in 1996-1997 and 16.2:1 in 1997-1998. In the 1996-1997 New Jersey School Report Card, Sayreville's average class size in each of its schools is larger than the state average.

In reviewing the median salaries of the 84 districts in the same category as Sayreville, (K-12 over 3,500 students) Sayreville ranked 62nd with a median salary of \$57,250 in 1996-1997 and 63rd with a median salary of \$58,213 in 1997-1998. This places the district in the high range of costs. As is indicated by the median salary, Sayreville has an experienced teaching staff. Almost one half of the teachers (49%) have been employed in the district for more than 16 years. Many of these teachers are eligible for retirement and, during the next five years, the district will face the challenge of replacing a number of these veteran staff members.

Sayreville's per pupil cost for classroom salaries and benefits was \$3,591 in the 1996-1997 school year which ranks 4th among the 84 comparable districts in the Comparative Spending Guide. The state average per pupil cost for classroom salaries and benefits in the K-12 category is \$4,483 and the average for all districts in the state is \$4,473. Sayreville's per pupil cost for teacher salaries is significantly less than the state average.

A review of teacher utilization and salaries in the Sayreville School District indicates that an efficient system is in place to provide adequate staffing to meet the needs of its students. Class size is becoming a concern among staff members and should be monitored. The facilities, which are currently available, do not contain sufficient space to allow for additional classrooms to address this concern.

Recommendation:

The Board of Education should study its present classroom capacities and develop a plan to address its future needs in this area. A realistic class size policy should be established which would give direction in determining these future needs.

Hiring Practices

In the Sayreville School District, the superintendent is the administrator responsible for the personnel administration in the district. All employee records and applications for employment are maintained by the superintendent. This office notifies employees when positions become available, in accordance with contractual agreements, and advertises for candidates when there is a need to do so. With most non-certificated positions, seniority is a factor in the employment process. The district does not have a nepotism policy in place.

Building principals and curriculum supervisors are involved in the screening of candidates for teaching positions. The principal's recommendation for a position is forwarded to the superintendent, who interviews the candidate prior to making a recommendation to the board. Placement on the salary guide is determined by the superintendent after a review of the qualifications and work experience of the candidate. In accordance with the negotiated agreement, salary credit for previous experience is limited to five steps on the salary guide unless special qualifications are required. If such qualifications are required, the superintendent may allow additional salary credit. Setting this maximum experience provision is a good cost containment practice.

Recommendation:

The Board of Education should adopt an anti-nepotism policy as part of its hiring policy. This policy would exclude family members of current board members and administrators from consideration for employment during the period that said board member or administrator is associated with the district. Family members currently employed in the district would be grandfathered.

BOARD MEMBER EXPENSES

An analysis of board member expenses for the 1996-1997 school year indicated that the district's major expense, \$24,306, was for NJSBA dues. Board members are reimbursed for costs related to attendance at conferences and workshops related to their responsibilities as board members, provided that such expenses are approved by the board. The board does not issue credit cards or cellular phones to its members. The conferences attended by board members were within the state. The board does have a written policy governing attendance at national conventions which specifies the limits of reimbursement for such activities. The budget account for board expenses is reasonable and is administered properly.

COLLECTIVE BARGAINING AGREEMENTS

LGBR reviewed four collective bargaining agreements, which are currently in effect in the district. The following chart illustrates the name of the unit, the employees covered in the agreement and the dates of the contracts reviewed:

Unit	Employees Represented	Contract Period
Sayreville Education Association (SEA)	All certified and non-certified staff. Excludes administrators, supervisors, custodial and maintenance staff.	July 1995 - June 1998
International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, Local #866	Custodial/Maintenance staff	July 1996 - June 1999
Sayreville Principals' Association	Principals and Assistant Principals	July 1996 - June 1999
Sayreville Supervisors' Association	District Supervisors	July 1995 - June 1998

Successor agreements are in the process of being resolved with the Sayreville Education Association and the Sayreville Supervisors' Group, whose contracts ended on June 30, 1998. The references made in this report are related to language found in the contracts identified above. These recommendations are subject to negotiating changes in current agreements. In addition to these negotiated agreements,

the team also reviewed the contracts of non-affiliated employees. A negotiated agreement is in place for the superintendent. However, no contract setting forth terms and conditions of employment exists for the positions of Assistant Superintendent, School Business Administrator/Board Secretary and Assistant School Business Administrator/Board Secretary.

Recommendation:

The Board of Education should develop contracts with those employees who are excluded from membership in the negotiating units representing employees. Terms and conditions of employment should be established for these positions to avoid any misunderstanding.

Personal Days

Personal leave is a negotiated provision, which allows employees to be absent without loss of pay for reasons other than illness, professional activities or bereavement. Listed below are the personal leave provisions, which currently exist in the district:

Teachers	3 days per year- 4 days per year after 9 years employment
Secretarial/Clerical	3 days per year - 4 days per year after 5 years employment
Cafeteria Employees	3 days per year- 4 days per year after 5 years employment
Classroom Teacher Assistants	3 days per year- 4 days per year after 5 years employment
Custodial/Maintenance	3 days per year- 4 days per year after 5 years employment
Supervisors	3 days per year- 4 days per year after 5 years employment
Principals	4 days per year
Superintendent	4 days per year

Unused personal leave is not cumulative, as such, but is credited to the employee's accumulated sick leave. The generally accepted standard for personal leave in New Jersey school districts is three days per year. For employees working a ten-month work year, this provision is considered adequate. Twelve-month employees have vacation time, in addition to personal leave, to use for personal business. By limiting personal leave to three days per employee and, not converting unused personal leave to sick leave, the district would realize greater productivity and a reduction in substitute costs and overtime costs. There are 262 employees who receive longevity payments and all of these employees are entitled to four personal days per year. At an average substitute or overtime cost of \$50 per day, if only one half of these employees used the additional personal day, the cost to the district is \$6,500.

Recommendation:

The Board of Education should negotiate changes in the personal leave provisions which currently exist in contracts, to provide three days per year for all employees and to eliminate the conversion of unused personal leave to accumulated sick leave.

Cost Savings: \$6,500

Productivity Enhancement: 262 Days

Longevity

Salary guides for teachers, teacher assistants, secretarial/office personnel, custodial/maintenance staff, transportation staff and administrative/supervisory staff all contain longevity payment provisions. These payments are granted to employees solely on the basis of years of service. In some contracts longevity payments occur prior to the employee reaching the maximum step on the guide.

LGBR does not support the concept of longevity payments since they are not tied to the merit/performance of employees. Sayreville's salary guides are reasonable and the incremental increases, which recognize years of service, are included in the guides. Mixing longevity payments with steps can be misleading to the public when comparisons are made with other districts.

Of the 457 current employees, 261 receive longevity payments as part of their regular salaries. More than one half of the staff members (57.11%) are being compensated at a salary which exceeds the maximum step on the guide. The following chart illustrates the number of current employees by negotiating unit and the number receiving longevity payments:

Category	No. of Employees	No./% Receiving Longevity	Longevity Cost
Administrator Supervisor	14	9 - 64%	\$15,400
Custodial Maintenance	35	30 - 86%	\$24,935
Off Guide Staff	12	8 - 67%	\$5,095
Office Personnel	25	20 - 80%	\$15,730
Teachers	338	164 - 49%	\$256,600
Teacher's Assistants	16	16 -100%	\$10,465
Transportation	17	14 - 82%	\$12,705

Recommendation:

The district should eliminate longevity payments as a separate item in salary guides in future negotiations. Compensation should be based on job responsibility and quality of performance, not solely on years of service. An uncluttered salary guide (i.e. without the inclusion of longevity) presents a clear picture of salary costs and is more easily understood by the public.

Vacations

Vacation provisions are found in the contracts of all twelve-month employees where such contracts exist. Clerical and custodial/maintenance staff receive vacations which range from two weeks to six weeks per year, based on years of service. Employees hired after July, 1995 have a maximum vacation of four weeks. Administrators and supervisors receive vacations of 20 days per year and 24 days per year after nine years of continuous service in the district. In addition to vacation time, custodial/maintenance staff receive 17 paid holidays per year. In the current school calendar, secretarial/clerical staff and administrative/supervisory staff received 28 paid holidays in addition to their vacations, which is approximately double the number of holidays provided normally. Off guide administrators receive the same vacation and holiday benefits afforded

members of the Administrators' Association. These very generous provisions permit staff to receive from 41 to 58 days of paid leave each year. This is extremely excessive.

With the exception of the superintendent's contract, which specifically allows accrual of vacation with a provision for reimbursement at retirement, there is no language, which requires vacation time to be used within a specified period of time. In the absence of contractual language, practice becomes the controlling factor.

Recommendations:

The Board of Education should negotiate contractual language with all twelve-month employees requiring the timely use of earned vacation and setting a maximum reimbursement for unused vacation at separation from service or retirement. The standard is a carryover of one year's value of vacation days, which caps the number at double the annual allotment.

Given the extensive vacation and holiday provisions included in the negotiated agreements for all twelve month employees, and the increasing requirements made on school administrators, the board of education should negotiate additional work days during the Winter and Spring Recesses. Use of these days should be counted as vacation days.

The maximum number of vacation days should not exceed 20 for all 12-month employees and the number of paid holidays should be capped at 17. Capping the number of paid holidays for administrators and office personnel would result in a substantial increase in the number of working days per year.

Productivity Enhancement: 561days

Retirement Bonus

The retirement bonus, which is contained in the negotiated agreements for all employees, is based on the attendance record of the employee. The benefit is calculated using a formula which defines the employee's attendance record according to the percentage of leave accumulated during the last fifteen years of service and the formula includes length of service as a factor. The employee receives a percentage of his/her final year's salary; the percentage being determined by the quality of attendance and years of service.

Recommendation:

The Board of Education should negotiate additional language in this contract provision, which establishes a maximum amount for the retirement bonus. LGBR recommends the State maximum of \$15,000 as a reasonable cap standard for such a benefit.

PROFESSIONAL GROWTH

The Sayreville Board of Education encourages teachers to continue to improve their teaching skills and, for this purpose, tuition reimbursement is provided. The maximum rate for reimbursement is set at the State University at Rutgers per credit cost. The board controls the cost of this benefit by limiting the number of credits per year for which a teacher may be reimbursed. Course approval is required prior to registration and the board has established criteria for approving courses.

Custodial Substitutes and Contracting Out

In the negotiated agreement covering custodians/maintenance staff, Article 9: Paragraph B. limits the board in filling temporary vacancies caused by employee absences. The language states: "It is understood, however, that the board will not fill such vacancies exclusively with substitutes but allow coverage with overtime whenever it is practicable to do so."

Article 10, Paragraph A which states: "The Board agrees that it will not contract out any Custodial Unit work if such work can be done by the existing employees within the time such work is required to be completed", effectively eliminates the possibility of the district privatizing its custodial work, either totally or partially, during the period covered by this contract. Paragraph B of Article 10 prohibits the Board from reducing the custodial staff "during any period of time when an independent contractor is performing work of a type customarily performed by covered employees."

Recommendation:

The Board of Education should not agree to allow such restrictive language to continue in the negotiated agreement with custodians. As is noted in another section of this report, custodial costs far exceed what is available in the private sector. This language should be addressed in the next negotiation with this unit.

Custodial Work Day

Article 29 of the custodial/maintenance contract defines the workweek for unit employees as eight hours per day for five consecutive days, Monday through Friday. School district facilities are frequently used by students during weekends for co-curricular activities and this use results in custodial overtime. In Sayreville, custodial overtime is very expensive. Based on 30 Saturday shifts of eight hours per shift and an average overtime rate of \$25 per hour, the district could reduce its overtime costs by \$6,000.

Recommendation:

The Board of Education should negotiate a change in the definition of the work week to allow the scheduling of custodians to include Tuesday through Saturday shifts in order to provide expanded building coverage without incurring extensive overtime costs because of activities scheduled for Saturdays.

Cost Savings: \$6,000

CASH MANAGEMENT

The district retains the Treasurer/Chief Financial Officer of the borough as its treasurer at an annual salary of \$6,500. As treasurer, he is responsible for the cash management and investments for the district. After a review of the district's financial records, we found that the district's funds are managed effectively. A high percentage of the investments are in short-term certificates of deposit, which mature every six months. The treasurer actively evaluates the market and selects the highest return. The investment vehicles utilized by the treasurer, with an average yield of 5.94%, outperformed the 91 day T-bill rate and the New Jersey Cash Management Fund (NJCMF) rate for school year 1996-1997. The district's return on investments on an average balance of \$3.3 million was \$147,950 compared to \$127,368 for the 91 day T-bill and \$136,269 for the NJCMF, an increase in earnings of \$20,583 and \$11,681, respectively.

Recommendation:

The treasurer maintains records and is familiar with the investments, monitors them on a daily basis, and has been successful in the management of these investments. It is recommended that a cash flow analysis be prepared and a more comprehensive and informative investment tracking system be utilized.

BUSINESS OFFICE

Organizational Structure

The organization consists of eight full-time employees: a business administrator/board secretary, an assistant business administrator/board secretary, one secretary, two support personnel who handle the food service bookkeeping and the health benefits and athletic accounts, one payroll clerk, one bookkeeper for general fund and one accounts payable/purchase clerk.

The business administrator/board secretary is responsible for the operation of the business office, the preparation and maintenance of the school budget, the financial reporting and the responsibilities of board secretary. In addition, he is also responsible for facilities maintenance.

The investment of school funds is handled by the Custodian of School Monies, who is also the Chief Financial Officer for the municipality.

Budget

The Sayreville School District has a history of budget defeats. Only five budgets in the last 30 years have been approved. The frequency of budget defeats detracts from a smooth transition from one budget year to the next and creates an additional workload in the business office.

The budget is built from a zero base, which means, each line item is set at zero. The budget information is compiled on a spreadsheet developed by the business administrator and manually completed by the principals, supervisors and department heads of each facility during October. The business administrator then prepares the budget for the superintendent's office to review before presenting it to the Board of Education for approval during December. The board reviews each line item contained in the budget before submitting it to the voters for final approval. Once approved, the budget is entered into a computerized accounting system, the AS 400.

The following table illustrates the different sources of revenues and the percentages for budget years 1995-96 and 1996-97:

Statement of Revenues

	<u>1995-96</u>		<u>1996-97</u>	
Local Sources	\$24,818,188	69.2%	\$26,123,285	69.2%
State Aid	10,476,846	29.3%	11,028,076	29.2%
Federal Aid	<u>567,265</u>	<u>1.5%</u>	<u>592,863</u>	<u>1.6%</u>
Total	\$35,862,299	100%	\$37,744,224	100%

As this table illustrates, the percentages of revenues from local, state, and federal sources are fairly consistent from one year to the next.

The unappropriated free balance (surplus) was as high as 11% of revenues as of July 1, 1995. As of July 1, 1997, the surplus account was approximately 2% of the revenues.

In an effort to hold down school tax rates, the district has been appropriating a significant amount of its surplus over the last three years. A review of the surplus account reveals a \$3,224,354 reduction over the last three years. The following table illustrates the reduction:

Summary of Fund Balances

<u>Beginning Year</u>	<u>Surplus Amount</u>	<u>Appropriated</u>	<u>Percentage</u>
7-1-95	\$3,893,889	\$1,382,674	36%
7-1-96	\$2,511,215	\$1,841,680	73%
7-1-97	\$669,535	*	*

* Information was not available since the school year was still in progress.

Recommendation:

The district should closely monitor its surplus to assure that funds are available for special and emergency conditions. The percentage should not exceed the state mandatory maximum of 6% of the budget.

Payroll

The actual payroll is prepared by the New Brunswick Board of Education at an annual cost of \$11,500. This amount is paid by the Amboy National Bank in return for providing the district's banking services. The district's business office has a payroll person who is responsible for adding new employees to the payroll, updating the annual salaries, implementing changes in individual deductions, processing pension enrollment, and disbursing the withholding funds to the appropriate agencies. The payroll system produces approximately 700 bi-weekly checks valued at \$1,200,000 monthly for all the full and part-time staff.

A separate person in the superintendent's office controls the time sheets for attendance and overtime reporting and works with the payroll clerk. Staff attendance is reported by each school on daily absentee forms and entered on a weekly time card, which is signed by the employees each week. The information is then transcribed into ledger books, one for individual employee calendar cards and one "master calendar." At the end of each year, the attendance clerk manually counts the number of days used and calculates the balance of time. This information is given to the superintendent's office where a statement of unused leave time is prepared and distributed to each employee. The district uses the AS400 software program in its purchasing procedures and this program contains a personnel component, which could be used to record employee information.

Recommendation:

The procedures presently employed for maintaining employee attendance records are time consuming and labor intensive. The district should utilize the AS 400 personnel program to maintain these records. This could reduce the amount of clerical time required for this activity. There are other programs cited in this report, which are in need of additional clerical assistance.

Purchasing

The purchasing operation is a function of the business office and is performed by a staff person who handles about 2,600 purchase orders and 1,200 vouchers per year. The district uses the AS 400 system for purchasing and maintains a manual. District wide purchasing is handled by the business office. A buyer catalog is sent to each principal and supervisor each year. Individual purchasing is initiated by the Principal of each school and approved by the business office and superintendent's office. The individual school purchasing process is as follows:

1. A purchase order is completed (typed) by the school principal's office with an explanation for the item requested and forwarded to the business office.
2. The business office reviews the purchase order and determines the account to which the item should be charged and places the account number on the purchase order.
3. The purchase order is forwarded to the superintendent's office for review and initialed for approval.
4. The purchase order is signed by the Business Administrator and given to the accounts payable clerk to key the information into the AS 400 system to encumber the funds.
5. The accounts payable clerk disburses the purchase order to the vendor, the business office, the originator and the stock room.
6. When the order is received by the stock room, a copy of the purchase order is sent to the accounts payable clerk for payment.
7. The accounts payable clerk matches the stock room's copy with the business office copy and, if they match, a request for payment is entered into the AS 400 system and added to the payment list for the Board's approval. Once approved, a check is printed with the board president's and the business administrator's signatures, and forwarded to the treasurer for his signature. Once signed, the check is disbursed to the vendor.

District wide purchasing of school, cleaning and office supplies are put out to bid each year by the business office. The business administrator reviews the bids submitted and selects a vendor for board approval. Other items are purchased through State contracts.

Inventory Control

The district maintains a stock room in the middle school staffed by a stock clerk and a driver. When a school needs an item, they call the stock room and it is delivered by the truck driver. The stock clerk maintains a supply ledger card for each school based upon its budget. Most paper and cleaning supplies are stored at each school in the janitor's room. Delivery of individual school purchase orders are also received at the stock room. The stock room is not a secure area as this area is accessible to non-authorized staff.

Recommendations:

The present system of inventory control is inefficient and ineffective in meeting the needs of the district. A computerized system of inventory control should be considered and security procedures need to be improved in this program.

As indicated elsewhere in this report, the school district's utilization of technology is limited compared to similar districts in the State. It is recommended that the district consider

purchasing a combination financial/personnel software package and installing a networking system. By expanding the technology to a higher level, the district can improve the efficiency and accuracy of its operation.

INSURANCE

The district has made significant positive strides in its insurance coverage. For the past 30 years, the district has retained the same insurance broker for Property & Casualty, Workers' Compensation, Automotive, Boiler/Machinery, Accident and Umbrella insurances. As a result of this long-term relationship, and the broker actively soliciting new premiums every three years, the district has maintained costs.

The district left the State Health Benefits Program in 1996 reportedly because of inconsistent rates and the inflexibility of its rules and regulations. In the fall of 1995, the board retained the services of an insurance broker to oversee its healthcare plans. This arrangement has been very positive and has saved the board considerable sums of money over the past several years, certainly much more than the associated cost of broker's fees. The broker's fee is \$18,000 a year and is paid directly by the district. LGBR thoroughly supports this as a best practice. The Board of Education, its insurance broker and the Sayreville Education Association should be commended for their efforts.

Health Benefits

The district has been progressive in its efforts to minimize increases in the cost of its healthcare benefits, while continuing to provide various coverage options to its employees. In the interest of continuing to evaluate market trends and rates, the district had retained an insurance broker who reduced the health insurance premiums from proposed increases of approximately 15% starting July 1, 1997. Essentially this saving was achieved by switching the primary healthcare provider for the traditional indemnity plan. The district was in negotiations during the review and, as part of the new contract, the traditional indemnity plan was abolished and a preferred provider plan was established as the primary healthcare provider. This change this year negated an expected 20% increase in health insurance premiums under the traditional indemnity plan and saved the board a projected \$300,000.

Although the district and insurance broker have made some positive strides in controlling costs, the premiums could be reduced further by charging a co-pay for other than single coverage. Currently, the district pays the entire premium, regardless of type of coverage, for the traditional indemnity plan. The employee pays the difference in any increased cost above the traditional indemnity, if a different insurance carrier is selected. Approximately 75% of the employees have coverage other than single. If a co-pay of 20% was required, the district could realize an annual decrease in cost of \$415,000 based on current rates. Another option would be to shift the cost of any premium increases to the employee. The monetary savings would be based upon the percentage of increase.

Recommendation:

The district should negotiate a co-payment of 20% of the premium for health coverage other than single.

Cost Savings: \$415,000

Dental

There have been no significant measures taken to control costs for dental coverage. The district has been paying the full premium for dental coverage. If the district were to charge a co-pay of 50% of the premium for coverage other than single, as is done for state employees, the district could save approximately \$120,000.

Recommendation:

The district should negotiate a co-payment of 50% of the premium for dental coverage other than single.

Cost Savings: \$120,000

Prescription

The prescription plan provides for an \$8 payment by covered employees for their prescriptions. As part of the negotiated agreement, the district pays \$415 per employee plus 60% of any premiums over that amount for prescription benefits and the employee pays the other 40%. The cost for school year 1997-98 was \$983 per employee. Based upon the current formula, the district paid \$756 of the \$983 for each covered employee. The district should review the possibility of increasing the employee portion of the prescription co-pay. If the district were to pay 50% of the total premium, the district could realize an annual gain of \$105,000. Another option would be to pay 50% of the premium over \$415 instead of the current 60% thereby saving the district \$20,000. A third option would be to increase the employee payment to \$10 per prescription and offer generic brands and mail order at lower costs. This would reduce the cost for each employee by a minimum of 10%. The premium cost for the next school year is expected to increase by 2.95% to \$1,012 for each covered employee, regardless of level of coverage. Based upon the current formula, the district will pay \$773 for each covered employee for a total of \$308,499. By increasing the employee payment to \$10 and reducing the premium cost by 10%, the district would reduce this total cost by \$23,300.

Recommendation:

The district should negotiate changing prescription co-payment to 50% of the total premium. The savings would be \$105,000. Another option would be to change the co-payment to 50% of the amount over \$415. The savings would be \$20,000. A third option would be to increase the prescription cost to \$10 and offer generic and mail order at reduced cost. The savings would be \$23,300.

Cost Savings: \$20,000-\$105,000

Workers' Compensation

According to district personnel, the district has established safety committees at each school, with the principal in charge. The insurance carrier offers periodic meetings and seminars on safety issues in an attempt to reduce claims and lower cost. The insurance broker has been very proactive in trying to reduce the district's workers' compensation premiums. The broker has been able to reduce the cost from \$340,025 (7-1-95 through 6-30-96) to \$249,897 (7-1-96 through 6-30-97), a difference of \$90,128. This occurred as the result of a change in the method of calculating the premium and an improved claim history. Currently, the district does not allow for light duty assignment when an injury occurs. An area of savings would be to permit light duty, thereby, reducing the indemnity cost.

The broker actively bids the workers' compensation every three years and has been successful in reducing the cost.

Recommendation:

The district should explore the possibility of providing light duty work for on the job accidents. This should lower the workers' compensation premiums by approximately 5%, resulting in savings of approximately \$12,500.

Cost Saving: \$12,500

Other Insurance

The Property and Casualty, Automotive, Boiler/Machinery and other insurances are within industry standards. Savings could be made by raising the deductible of each type of insurance. Another option would be to explore the possibility of entering into a Joint Insurance Fund (JIF). Most JIF's can offer lower premiums of approximately 10-30 %. This could save the district approximately \$25,000 to \$75,000.

Recommendation:

The district should explore the possibility of entering into a JIF for its Property and Casualty, Automotive, Boiler/Machinery and other insurances, resulting in potential savings of \$25,000 to \$75,000.

Cost Savings: \$25,000-\$75,000

AUDIT REPORT

The team reviewed the independent auditor's report required by N.J.S.A. 18A:23-1 as well as the January, 1998 monitoring report submitted by the county superintendent of schools, in compliance with N.J.S.A. 18A: 7A-1. The auditor's report contained five recommendations, which were addressed in a corrective action plan prepared by the district. None of the findings included in the report were of such significance to require additional board action.

In the monitoring report, Element 7, Indicator 7.4 addresses the annual audit and the recommendations contained within. The findings of the monitoring team were that the district's Comprehensive Annual Financial Report for the 1996-1997 school year was filed in a timely manner and a corrective action plan was being implemented addressing all of the recommendations contained in the audit report. The conclusion of the monitoring team was that the district was in compliance in this area.

After reviewing the documentation presented, LGBR finds that the financial controls and record keeping procedures in the business office are functioning in an acceptable manner.

LEGAL SERVICES

The Sayreville School District has utilized the legal services of the same attorney of a large law firm for many years. There is no contract with the attorney, nor with the law firm. The district is very satisfied with the service it receives from this attorney, and does not seek proposals from others for legal services. The attorney is appointed by the Board each year through resolution. The district pays the attorney an annual retainer fee through its payroll system, which in effect, compensates him as an employee, and reportedly covers his attendance at board meetings, although there is nothing in writing stating what this fee actually covers. For the past several years, this fee has been \$17,500, but was increased to \$19,000 for the 1997-98 school year. In addition, the district is contributing to the State Public Employee Retirement System's pension plan for the attorney, as well as to Social Security and Medicare, for an additional \$1,864 in benefits in 1996-97. It was also noted that the district reimbursed the attorney's law firm for his membership in a professional organization, seminar registration, and a publication subscription, totaling \$875.

Recommendations:

The district should establish a contract with the attorney/law firm, and clearly delineate what is and is not to be included in the retainer fee. While there may be more included than the attorney's presence at Board meetings, there is nothing indicating what that might be.

It is the position of LGBR that retainer fees should not be paid to attorneys through the district's payroll. The attorney is not an employee of the school district, and the district should discontinue contributions to the State Pension system, Medicare and Social Security on his behalf, as well as reimbursements of other employment-related costs, e.g., professional publication subscriptions, seminar registrations and membership fees.

Cost Savings: \$2,739

The attorney/law firm is compensated at the rate of \$128 per hour for all additional legal services, "above and beyond his normal duties."+ These additional costs for the past few years totaled:

1996-97	1995-96	1994-95
\$117,849	\$83,292	\$121,418

The following table compares Sayreville's legal fees with those of some of its neighboring school districts for the 1996-97 school year:

	Sayreville	Old Bridge	Edison	Woodbridge	New Brunswick
Retainer Fee	\$19,364*	\$2,400	\$8,000	\$45,000	-
Hourly Rate	\$128	\$125	\$125	\$110	\$90
Total Legal Fees	\$137,213	\$142,634	\$343,654	\$63,216	\$59,744

* Including statutory benefits.

While others are paying more in overall legal costs based upon their individual needs, the Sayreville School District is paying the highest per hour rate among this group for its legal services, though by a nominal amount in two of the instances.

Recommendation:

Although Sayreville is reportedly very satisfied with its legal representation, the district should seek and consider proposals from other law firms. Based upon the approximately 880 hours in legal services billed in 1996-97, \$2,640 could be saved at the second highest and more prevalent rate of \$125 per hour.

Cost Savings: \$2,640

The team reviewed the monthly invoices associated with the district's 1996-97 legal fees. Approximately half of the costs were related to special education matters, and another quarter to other student issues, primarily discipline. The remaining fees were for miscellaneous items, including contracts, arbitration, budget and grievance matters. The monthly billing statements reference the specific dates and matters for which services were provided, but omit other important information. While the statements include charges for "costs" other than professional services, these are not defined. A total of about \$4,300 was billed as "costs" in this year, but no explanation was provided. Also missing is the amount of time expended on each individual task, e.g., telephone conferences, legal research, etc.

Recommendation:

The review team recommends that the district require more detailed legal services' billing to include time spent on individual tasks, e.g., length of individual telephone calls and specific identification of all other "costs". The district could then see exactly how its legal dollars are spent, and, perhaps, take steps to reduce these costs. This could involve restricting access to the attorney, or seeking some free legal advice from the Department of Education or professional educational associations. Some legal costs are obviously

unavoidable, but Sayreville should do all it can to contain them, including decreasing the number and duration of costly contacts with the attorney, which may not always be necessary. The administrators in Sayreville are an experienced, competent, professional group who should rely more on their own judgment, knowledge and abilities. While the review team can certainly not dictate when calls to the attorney are or are not required, a reduction in legal costs through prudent methods such as these should result in savings of at least 10%.

Cost Savings: \$11,000

As an alternative method of addressing its need for legal services in a less costly way, the district may want to consider possibly hiring its own attorney. Based upon the 880 hours billed for the 1996-97 school year, this could conceivably be a part-time position, perhaps a shared arrangement with another school district. Experienced full-time staff attorneys employed by the various education associations, e.g., NJSBA or NJASA, earn up to \$100,000 per year. If Sayreville hired a half-time staff attorney at a salary of \$50,000 plus an additional 28% in benefits, it could realize overall savings of over \$70,000.

Cost Savings: \$70,000

CUSTODIAL AND MAINTENANCE SERVICES

The custodial and maintenance departments are staffed by a Supervisor of Buildings and Grounds, four maintenance workers, one stock clerk, one truck driver and 31 custodial personnel. These personnel maintain the 441,088 square feet of the six school facilities, the administration office and the 11 athletic fields. The maintenance personnel, including the stock clerk and truck driver, are supervised by the Supervisor of Buildings and Grounds, whereas, the custodial personnel are directly supervised by the school principals. The Supervisor of Buildings and Grounds is also responsible for purchasing the necessary supplies, reporting work which needs to be contracted out, scheduling overtime, and maintaining the athletic fields.

There is no central person in charge of the custodians. However, each school has a Leadman Custodian (sometimes two, with a total of nine in the district) who are responsible for working with the principals to ensure the cleanliness and safety of the schools, managing the custodial staff, scheduling overtime, ordering supplies, maintaining inventory and performing their regular assigned custodial duties. For this, they are paid an annual stipend of \$350 for the elementary school, \$570 for the middle and high schools and \$250 for the 2nd shift in the middle and high schools. The total cost to the district for this additional stipend for 1996-97 was \$3,390.

Each of the custodial and maintenance personnel hired on or after July 1, 1996 must obtain a Black Seal License within one year of date of hire or be discharged. Once it is obtained, personnel receive a \$275 annual stipend. The total cost to the district for the Black Seal license for 1996-97 was \$7,700.

The district attempts to keep as much work as possible “in house” but will sub-contract out major construction, plumbing, and electrical work or time restricted work. The maintenance of the grounds (i.e., cutting the lawn, trimming, fertilizing and leaf collection) is contracted out each

year. For the school year 1996-97, the amount budgeted for grounds maintenance was \$87,500, the actual amount expended was \$99,695.

The maintenance department maintains four vehicles, a box truck, a rack truck and two dump trucks, which are used primarily for delivery of lunches and supplies to each building, larger maintenance jobs and the monthly pick up of United States Department of Agriculture (USDA) commodities in Newark. Maintenance personnel use their own vehicles when traveling between buildings and to pick up materials and are reimbursed at a rate of .31 per mile. The mileage reimbursement for 1996-97 was approximately \$7,700.

In visiting each of the facilities, it was observed that they were adequately cleaned and maintained, considering the ages of the buildings. There is a summer schedule for projects that need to be completed prior to school opening at each facility as well as a three year comprehensive maintenance plan which the Supervisor of Buildings and Grounds tries to adhere to, budget permitting.

Cost of Providing Custodial Services

As stated, the buildings are kept clean, however, the cost of the custodial program is excessive. A review of the payroll records for calendar years 1996 and 1997 indicates that custodial overtime costs were excessive. Five custodians received more than \$25,000 each in overtime funds while another nine received between \$10,000 and \$20,000 each in overtime. The 1996-97 budgeted amount for custodian overtime was \$95,000 while the actual cost was \$330,000. As a result, a number of appropriation transfers had to be made to cover the cost of custodial overtime.

There are two distinct methods used by the American School and University Regional Standards (ASURS) to assess the staffing needs of a school custodial staff. The first method is to determine the proper level of staffing. The other method is to determine the cost per square foot.

The ASURS provides a model to determine the appropriate level of staffing. The following is the result obtained by applying this model to Sayreville:

Number of full-time teachers divided by 8:	42.25
Gross Building area/15,000:	29.41
Average building capacity/25:	<u>32.72</u>
SUM OF FACTORS	104.38
Sum of Factors/3	34.79(number of custodians needed)

The fact that the district has 31 custodial positions indicates a staff level below the projected need. This could help to explain why the overtime costs for custodial services during the school year 1996-97 was an astronomical \$330,000.

The second method in determining the cost of custodial services is to compute a cost per square foot. During the 1996-97 school year, the total cost of custodial services (salary, benefits, overtime, supplies, substitutes) in the district was approximately \$1,682,000, or \$3.81 per square

foot (see Table A). According to the ASURS annual publication, the standard cost for custodial services in the Northeast region of the United States is \$2.11 per square foot. However, the Lakewood School District's current custodial contract is \$1.95 per square foot.

As the table illustrates, the district's custodial costs are extremely high. Based upon the ASURS standard cost, the district is paying \$751,230 more for custodial services than the standard cost or \$821,804 more than the Lakewood contract. There are several options the district could explore to reduce the cost of custodial services, which are contained in the following recommendations:

Recommendations:

- 1. The district should explore the possibility of privatizing the custodial services at a cost equal to the ASURS's standard cost. The potential savings are \$751,000. District officials have expressed concern over contracting these services. However, we believe the potential cost savings are too significant to ignore private contracting.**

Cost Savings: \$751,000

- 2. The district should explore privatizing just the night custodian services at a cost equal to the ASURS's standard cost.**

Cost Savings: \$270,000

- 3. The district should explore hiring four more custodians at a position value (salary plus benefits) of \$30,000 and restructuring the department to include Saturday coverage in the regular schedule, thereby eliminating or reducing the overtime costs.**

Cost Savings: \$210,000

- 4. Explore the possibility of hiring a part-time custodian for Selover school instead of using overtime funds. Potential savings could be \$16,000 based upon 3½ hours per night at \$10 per hour.**

Cost Savings: \$16,000

- 5. Negotiate the elimination of the stipend for a Black Seal License since it is a condition of employment.**

Cost Savings: \$7,700

Total Custodial Savings: \$7,700 to \$751,000

Cost of Providing Maintenance Services

The district employs seven maintenance personnel, (a Supervisor of Buildings and Grounds, four maintenance workers, a stock clerk and a truck driver). Requests for maintenance work in the form of work orders originate with the building principals with priority given to potentially dangerous conditions. The Supervisor reviews the work order and determines whether the maintenance personnel can perform the work. If they cannot, he solicits either phone quotes or written bids from private contractors. If the work can be performed by maintenance personnel,

the Supervisor dispatches the work to personnel, according to type of problem and severity. There are no time limits given for completion of the work orders.

The maintenance department is comprised of the following personnel: a supervisor of buildings and grounds who also performs electrical and plumbing work, an electrician who also performs plumbing, light carpentry and field work, a plumber who also performs carpentry, glazier and field work, a glazier who also performs light plumbing and general maintenance, a general maintenance worker who also performs field work, a stock room clerk who is responsible for inventory control of supplies, and a truck driver who delivers supplies, lunches and other district needs. In addition to maintenance work, the staff also maintains the athletic fields, which consists of lining the three football fields, the three soccer fields and the hockey field twice per week during September through December. From March through May, they line the four baseball fields three times per week.

The cost of maintenance services was as follows:

Salaries (including benefits)	\$353,540
Overtime	135,640
Supplies	<u>133,541</u>
	\$622,721

This amount would make the districts cost per square foot for maintenance services \$1.41. The market rate for maintenance services in this geographic area is approximately \$0.70 per square foot. If the district were to contract out for its maintenance services, the potential savings could exceed \$313,000.

When utilizing the ASURS's standard of one maintenance worker per 50,000 square feet, the district is below the staffing level by two employees. If the district were to hire two more maintenance workers and restructure the maintenance department by combining the stock room clerk and driver positions and reassigning the other position to maintenance services, the district could establish a second maintenance shift thereby eliminating or reducing the overtime cost. The second shift or later working day for maintenance staff is practical in the sense that much of the work must be done off school hours. There are several recommendations the district should explore to reduce the cost of maintenance services.

Recommendations:

- 1. The district should explore the possibility of privatizing the maintenance services at a cost equal to the ASURS's standard cost.**

Cost Savings: \$313,000

- 2. The district should explore hiring two additional maintenance workers each at a position value (salary plus benefits) of \$35,000, to establish a second maintenance shift thereby eliminating or reducing the \$135,000 expended in overtime costs.**

Cost Savings: \$65,000

- 3. The district should combine the stock clerk and driver's positions and reassign the other position to perform maintenance services.**
- 4. The district should track the completion time of work orders and review that information for timeliness against industry averages.**
- 5. The district should explore assigning the field maintenance work to the stock clerk and driver positions to be completed during periods of inactivity.**

CUSTODIAL COSTS TABLE A								
<i>School</i>	<i>Year Built</i>	<i>Enrollment</i>	<i>No Day Custodians</i>	<i>No. Night Custodians</i>	<i>Total</i>	<i>Interior Square Feet</i>	<i>Salary & Benefits</i>	<i>Labor Cost per Sq. Ft.</i>
Arleth	1956,58	500	1	2	3	24,796	\$96,892	\$3.91
Eisenhower	1970	570	1	2	3	35,296	\$90,990	\$2.58
Truman	1973	620	1	2	3	44,610	\$129,365	\$2.90
Wilson	1930,39	440	1	1	2	26,459	\$77,246	\$2.92
Middle	1968,94	1508	3	7	10	138,926	\$377,966	\$2.72
High	1963,78,91	1270	3	6	9	158,580	\$396,842	\$2.50
Admin	1954,59	0	1	0	1	12,421	<u>\$32,868</u>	\$2.65
Total Salary & Benefits							\$1,202,169	\$2.73
Other costs								
Subs							\$84,421	
Ot cost							\$330,574	
Supplies							<u>\$64,762</u>	
Totals		4908	11	20	31	441,088	\$1,681,926	
Total cost/S.F.								\$3.81
At ASURS Avg.							\$930,696	\$2.11
Difference							\$751,230	\$1.70
At Lakewood Contract							\$860,122	\$1.95
Difference							\$821,804	
At Recomm # 2:								
Cleaning cost @ ASURS	\$930,696							
Day Custodian cost	<u>\$482,295</u>							
Total	\$1,412,991							
1996-97 cost	\$1,681,926							
Difference	(\$268,935)							
At Recomm # 3:								
School	Sal & Ben							
Arleth	\$96,892							
Eisenhower	\$90,990							
Truman	\$129,365							
Wilson	\$77,246							
Middle	\$377,966							
High	\$396,842							
Admin	\$32,868							
4 new employees	\$120,000							
Total Salary & Bene. cost	\$1,322,169							
Supplies	\$64,762							
Substitutes	<u>\$84,421</u>							
Total cost at Recom# 3	\$1,471,352							
1996-97 total cost	\$1,681,926							
Difference	(\$210,574)							
At Recomm # 4:								
Selover Overtime Cost	25,000							
Part-time worker	<u>-9,100</u>							
Difference	15,900							

SPECIAL EDUCATION

In its 1997-98 Application for State School Aid (ASSA), the Sayreville School District reported 511.5 students in its special education program. An additional 397 students were classified for speech only. The following is a four year distribution of Sayreville's special education students, as reported in the district's respective ASSA's, which reflects a fairly constant special education enrollment of about 10% throughout this period:

	1997-98	1996-97	1995-96	1994-95
Sp. Ed. Full-Time on Rolls	225	214	191	190
Sp. Ed. Shared Time on Rolls		0		1
Sent Out of District Full-Time Public	30	28	27	26
Sent Out of District Shared-Time Public	.5	.5	.5	0
Sent to Private Schools	69	76.5	56.5	61.5
Sent to Regional Day Schools	1	2	4	1.5
Total Out of District Sp. Ed.	100.5	107	88	89
Students Received Full-Time	0	0	0	2
Resource Room	186	169	179	182
Total Special Ed. (Excluding Speech)	511.5	490	458	461
Speech Instruction	397	380	334	365
Total District Enrollment	5088	5049	4908	4692
Total % Sp. Ed. Enrollment	10%	9.7%	9.3%	9.8%

In the 1996-97 school year, 11 students were declassified in Sayreville. The goal of any special education program is to ensure that all pupils with educational disabilities have available to them a free and appropriate public education. The initial objective is to implement procedures to ensure that only those pupils with true learning disabilities are classified. Once classified, the objective is to provide an appropriate education to those students for whom declassification and mainstreaming are not options.

The Director of Student Personnel Services and Special Education oversees the district's special education program. The district employs 33 special education teachers, 18 aides, and six speech therapists. There are four full-time and one part-time clerical employees assigned to the department. The district employs three full-time Child Study Teams (CST's), each comprised of a learning disabilities teacher-Consultant, a psychologist and a social worker. One team is assigned to the high school and one elementary school; another to the middle school and ½ of an elementary school; and the third to 2½ elementary schools. The respective CST is responsible for managing the cases of the out-of-district, as well as in-district, students. The district also contracts with outside Child Study Team professionals on a per case basis to perform some

required CST functions, primarily re-evaluations. A permanent CST member is assigned as a member of these additional teams to provide consistency and uniformity to the students' cases. By contracting for these additional CST services instead of hiring additional staff, the district avoids the cost of employee benefits it would otherwise have to pay. In 1996-97 the district paid a total of approximately \$134,000 to the outside consultants. If the district had hired an additional team at the middle of the salary guide to perform these services instead, the cost of salaries and benefits would have been approximately \$149,000. In 1996-97 this practice, therefore, saved the district an estimated \$15,000.

Recommendation:

LGBR commends Sayreville for implementing this cost-saving practice, and recommends that it continue with its complement of both district personnel and outside consultants to staff its Child Study Teams. The district staff are the backbone of the program, and the consultants can be called upon, as needed, to provide a more cost effective and flexible means of meeting the district's evaluation needs.

Based upon available district data, the average cost to send a student out of district in 1996-97 was approximately \$27,400, excluding transportation. Transportation costs per student averaged approximately \$3,800, bringing the total cost to educate a special education student out of district to \$31,200. According to the 1996-97 CAFR, the average cost to educate a student within the Sayreville School District was approximately \$7,800 for this same period. Therefore, on average, it costs an additional \$23,400 per year, approximately, to educate a special education student out of district. At the time of this review, 132 students were sent out of district for special education.

The Sayreville School District is very conscious of the high costs associated with sending students out of district. Whenever the student's classification and district space allow, the student is kept within district. Students' Individualized Educational Programs (IEP's) are reviewed each year, with consideration given to bringing them back into the district. As noted elsewhere in this report, the school facilities are quite crowded. At the time of our review, there were a total of 21 self-contained classes and 14 resource center classes serving the 411 in-district students. The district has received a waiver from DOE to exceed class sizes for its Neurologically Impaired (NI) special education classes. Each year the classes, start out at full occupancy. The rate of transience for both the district, as well as the classes is high, so the class sizes fluctuate substantially, even from month to month. For example, during the two-month period of this review, the number of in-district special education students increased by 35. Classes are generally at or beyond capacity, which limits the district's current ability to return students to in-district programs.

Recommendation:

As Sayreville addresses its district-wide space needs, consideration should be given to creating additional special education classes to reduce the high special education costs. For each student it can return, the district saves an estimated \$23,400 per year on average. With 132 students sent out, there is a potential for tremendous savings. The review team

recognizes that there may be legitimate circumstances prohibiting the return of all these students even if space were available, but space is a major factor in the placement of these students out of district. However, if and when the district's space problems are resolved, and if only 1/3, or 44 of the students are returned, an estimated annual savings of over \$1 million is possible.

Cost Savings: \$1,000,000

At the time of this report, the one exception to the space constraint issue is the Selover School, which houses the district's pre-school handicapped program. One morning and one afternoon class are held in this facility, with 11 students in each class. There is space available in this facility to accommodate additional pre-school handicapped classes. (It should be noted that special education classes for older students cannot be conducted in this facility at this time, because it is not equipped to offer programs in line with least restrictive environment requirements, e.g., music, art, physical education, and general contact with non-special education students. There is no cafeteria, so full-time programs also cannot be accommodated.) At the time of this review, there were 21 pre-school handicapped students sent out of district, 16 in full-time programs, and five in half-day programs, based upon their IEP's. For reasons stated above, the district cannot accommodate full-time students, but the half-time students can be returned, and the district should also seek to bring in students from other districts to fill the remaining available spaces. At an average full time tuition cost of \$23,400 the district would save \$58,500 by educating Sayreville students in the district. By filling these classes with tuition students, the district could generate revenue to further offset the cost of conducting the program in-house. Additional staff would be required: one teacher and two aides, at an estimated cost of \$77,500. Minimum tuition, which could be expected from other districts, would be \$5,000 per student.

Value Added Expense: \$77,500

Cost Savings: \$58,500

Revenue Enhancement: \$85,000

MEDICAID REIMBURSEMENT

There is an opportunity for school districts to claim reimbursement from Medicaid for certain medical services provided to eligible special education students. The State's Special Education Medicaid Initiative (SEMI) program provides assistance to school districts in obtaining these funds. Although the Sayreville School District has taken the first step by registering with the program, to date it has not filed the necessary claims to receive the reimbursements.

Recommendation:

The district should file the necessary SEMI claims. Based upon preliminary estimates, approximately \$40,000 in first year revenues and \$20,000 each year, thereafter, is available to the district through this program.

Revenue Enhancement (First Year): \$40,000

BASIC SKILLS

The Basic Skills Improvement Program (BSIP) is provided by 36 teachers within the Sayreville School District, 11 at the high school level, 17 at the middle school, and eight at the elementary level (two at each school). Some teach other classes in addition to Basic Skills. There are an equivalent of 24 full-time Basic Skills teachers. There are no aides assisting with this program. Basic Skills Improvement Program services are provided to the non-public schools through the Middlesex County Educational Services Commission.

Eligibility for the BSIP is determined based upon standardized tests, i.e., the California Achievement Tests (CAT's) at the elementary level, the Early Warning Test (EWT) in 8th grade, and the High School Proficiency Test (HSPT) in grade 11. However, the district does not use the State's cutoff for BSIP eligibility, but rather sets its own, and uses other criteria to "extend the net", and catch other students who may be at risk. When selecting students to participate in the program, rather than consider just the one test score, the teachers look at past scores and the students' entire profile in making the determination. The supervisors, with whom the team met, praised the excellent teaching staff for making the program a success.

On the elementary level, the program is conducted on a pullout basis, with students rotating in and out as required. The middle and high school students attend regularly scheduled BSIP classes each day. Instruction for all grade levels is provided in math, language and reading. There are a total of 479 students attending math instruction, 299 language, and 455 reading district-wide. Class sizes at the various grade levels are as follows:

High School	Middle School	Elementary
9 to 14	8 to 17	2 to 8

Based upon 1996-97 Comprehensive Annual Financial Reports (CAFR's), Sayreville is spending the most for its Basic Skills Improvement Programs among the comparative districts selected for this report, as follows:

District	Total Cost	Per Pupil
Sayreville	\$1,262,808	\$255
So. Plainfield Boro	\$257,592	\$78
Bloomfield	\$791,503	\$150
Nutley Twp.	\$278,143	\$73
Lacey Twp.	\$462,675	\$102

Sayreville's relatively high spending in the Basic Skills Improvement Program is likely due in part to its "extending the net" to students who might otherwise not qualify for compensatory educational services. The amount of transience among the student population is another factor which, reportedly, significantly impacts upon these programs. The district's overall #1 lowest ranking in per pupil instructional cost among districts of similar operating type clearly indicates that it is not spending excessively in its instructional programs. Much of Sayreville's instructional programming focuses on teaching the students those skills required for them to pass the High School Proficiency Test (HSPT), and hence, to qualify for graduation. The administration's decision to offer extensive compensatory educational services to additional students beyond those mandated by test scores is one, which would appear to best meet the needs of its student population.

ENGLISH AS A SECOND LANGUAGE (ESL) PROGRAM

Sayreville is a multi-cultural community. At the time of our review, 17 different primary languages were represented within the Sayreville School District's English as a Second Language (ESL) Program. The number of students participating varies throughout the year due to transience and "testing out". In March of 1998, there were a total of 53 students within the ESL program: 24 at the high school level, 12 at the middle school, and 17 elementary students. Because there is no one language classification of 20 students or more, there is no bilingual program offered.

The program for the lower grades, K-6, is a pullout program. If the ESL teacher is absent, the children remain in their normally scheduled class. For the high school and upper middle school, a substitute teacher is required, since theirs is a regularly scheduled class. The upper grade classes run 42 minutes; the lower 30. The students are pre-and post-tested in English proficiency. The amount of time required to "test-out" varies, partly dependent upon age. The younger students typically complete the program much more quickly than the older high school students. Some of the classes are comprised of students at varying competency levels. There are no computers available for use in the ESL programs, which hampers this program.

Recommendation:

LGBR recommends that the district include the ESL program in its technology improvement plan. There are software programs, which could greatly enhance the students' learning, and enable them to progress at their own speed, particularly in light of the mixed composition of the classes.

There is one ESL teacher for the entire district. She teaches seven classes per day: two for the high school students, one for the upper and one for the lower middle school students, and three for the elementary school children. The elementary students are transported via district bus, at a cost of approximately \$62 per day, to the middle school for their ESL classes. In prior years the ESL teacher traveled to each school every day to conduct the classes, but this was a difficult and unreasonable arrangement.

Recommendation:

LGBR recommends that the district consider revising the logistics of its ESL program at the elementary level. Transporting the elementary students to the middle school for this class every day does not appear to be an efficient practice. Not only is valuable class time lost while they commute, but this is also at an additional cost of approximately \$11,000 in extra pay to the bus drivers. One option would be to have the ESL teacher travel to the four individual schools on a rotating basis, conducting longer classes at each elementary school two or three times a week. Another possibility would be to hire a part-time teacher for some of these classes. At a starting teacher's salary of \$26 per hour for 2 hours a day (\$9,300 a year), the district would still save money by eliminating the cost for transporting these students to the middle school, as well as provide a more efficient program for the students.

Cost Savings: \$1,700

In addition to its regular ESL program, the district is particularly proud of its Reading/English class for ESL students in the high school. Learning the English language is a major obstacle to every Limited English Proficient (LEP) student's academic success. While the regular ESL program is effective, it is only a 42 minute class per day. For the remainder of the school day, the LEP students are normally mainstreamed into regular "English as a first language" classes, where much of the instruction is just a blur to them because of the language barrier. The Reading/English class, which is a double period staffed by two teachers, provides an opportunity for the LEP students to gain a greater proficiency in the English language through structured, English intensive activities, as well as more non-traditional, experiential activities. The double period allows for flexibility to work on interdisciplinary projects, and to go on field trips to the supermarket or bank, for instance, to learn some real life skills. The goal of the program is to provide a nurturing environment in which LEP students can learn the skills of English communication to prepare them to function both academically and socially in the school and community, with classes geared primarily toward enabling the students to pass the HSPT 11 test. Upon exiting the program, students enter a mainstream Reading/English class. At the time of our review, 17 students were enrolled in the program.

Recommendation:

The district should consider replicating the high school's English/Reading program at the middle school, at least for those in the upper school. The program is touted as being highly successful, providing additional valuable instruction and experience for the high school students, and the district should consider offering it to the younger students as well. The goal of ESL programs is to enable the students to function successfully in the regular classes. The more instruction they receive, and reportedly, the younger they are when they receive it, the better. LGBR commends Sayreville for its efforts to date in this regard, and supports efforts to expand the program.

GUIDANCE

The Sayreville School District provides guidance counseling services to all students, grades K-12. The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends the following ratios of counselors to students based upon grade level:

High School	Middle School	Elementary School
1:225	1:338	1:500

The Sayreville School District exceeds these ratios at all grade levels. There are six counselors in the high school, including a "senior" counselor who has been overseeing the high school program for the past three years, since the district's former director retired. The other five high school counselors maintain a caseload of approximately 255 students each (the senior counselor handles 55). The four middle school counselors report to the building principal, and each handle 391 students on average. New in the 1997-98 school year was the addition of two elementary guidance counselors assigned to the four schools, reporting directly to the district's Director of Student Personnel Services and Special Education, each with responsibility for two schools, with a combined average caseload of 1,072 students. There is a clerical support staff person assigned to both the high school and middle school guidance offices.

Although responsibility for the overall operation of the district's guidance program rests with the Director of Student Personnel Services and Special Education, according to the district's job descriptions it is the Director of Guidance who is responsible for the actual coordination and day to day supervision of this program. As indicated above, Sayreville has had no one performing this function for the past three years, but rather responsibility for this function has been fragmented among various district staff during this time period.

Recommendation:

The team recommends that the district appoint someone to the Director of Guidance position as quickly as possible to ensure a thorough, consistent and integrated guidance program throughout the district, as well as to relieve others of this additional responsibility.

Generally, the primary focus of the guidance program at the elementary level is to promote values and citizenship among the student body via classroom instruction and small group sessions. Individual counseling is conducted on an as-needed basis. Programs for parents, e.g., parenting skills instruction, are also held as need or interest dictates.

The middle school counseling program focuses on self-esteem primarily through group sessions. CAT and EWT testing are administered by the counselors.

Testing is a big focus of the high school counselors' responsibilities, including the HSPT's, CAT's, and elective tests, i.e., SAT's, PSAT's, and AP's. Counselors meet with small groups of seniors in the fall to discuss their future plans. They meet with sophomores and juniors to go over results of PSAT's. They meet with freshmen to help with the high school acclimation process.

They also track those students reporting progress deficiencies, and work with them on improvement plans.

In addition, under the direction of the district's Director of Student Personnel Services, Student Assistance Counselors (SAC's) are contracted through UMDNJ to provide student addiction programs for the student population. Proposals are not sought from other sources. There is a full-time counselor at the high school, a 4/5th counselor at the middle and a 3/5th counselor for the elementary schools. The elementary program, which was the last to start up, was added because, as was explained to the review team, the key to success of addiction programs is to begin as early as possible in the students' lives, to teach them appropriate coping and decision-making skills.

The current SAC arrangement equates to approximately 2.5 counselors, for a total cost of \$118,260 for the 1996-97 school year, or an average full-time salary of \$47,304. Contracting for the SAC services is viewed by Sayreville as a cost-saving measure, since the district does not have to pay employee benefits for contracted workers, as they would if the SAC's were district employees. Estimating benefits at Sayreville's 23% average, this practice is saving Sayreville approximately \$27,200 per year, or \$10,880 per full-time position equivalency.

Recommendation:

LGBR agrees that contracting with an outside provider for SAC services is a cost-saving measure, and commends Sayreville for so-doing, but suggests that proposals be sought from other providers for comparative purposes to test the market and ensure it is getting the best deal.

ATHLETICS AND EXTRA-CURRICULAR ACTIVITIES

A variety of athletic and extra-curricular activities are available for Sayreville's high school and middle school students. More than half of the high school student body participate in athletics, and at least 75% participate in other activities, including performing arts, and academic clubs. Only three sports programs maintain the three levels of Varsity, Junior Varsity and Freshman: football, and boys and girls' soccer. Only two athletics programs are currently offered to the middle school students, i.e., basketball and wrestling, and only to 7th and 8th graders. Several other extra-curricular activities, including student government, literary, academic and peer education programs are also available to these students. Approximately ¼ of the middle school students participate in one or more of these activities. At the time of this review, the district was considering offering additional athletics programs, particularly at the middle school level, to increase participation at the freshman level, and to provide sports not offered at the community level, e.g., track, field hockey, softball and bowling. This may require elimination of other more costly, low participation activities, due to the district's tight budget constraints.

According to the Department of Education's March, 1998 Comparative Spending Guide, Sayreville ranked 30th out of 84 districts of similar operating type for extra-curricular spending. At a per pupil cost of \$112, they are well below the State's average of \$144 per pupil for all operating types.

The review team met with several high school student council representatives, who believe the school has much to offer in the way of diverse extra-curricular activities, and believe student involvement to be high. Some activities are either not funded or are only partially funded by the Board, so a lot of fund-raising occurs throughout the year. Funds raised are handled by the school funds administrator. The students praised the activity advisors for their dedication and the time they devote to the programs, which often exceed what any stipend might compensate them for. The schedule of stipends is included in the teachers' contract.

The Sayreville School District's Supervisor of Physical Education also serves as the Athletic Director. He supervises the coaches and high school and middle school physical education teachers. The four elementary school physical education teachers report to their respective building principals.

Transportation for athletic events is scheduled by the Athletic Director (AD). If the bus is needed after 4:00 PM or on weekends, a district bus is used. If needed prior to 4:00 PM on school days, a contracted vendor bus is utilized. The AD calls the vendor directly in those situations. It was noted by the review team that for the past three years, the contract amount of \$28,400 for athletic trips had been exceeded by 22 to 34% presumably because the Requests for Proposals did not portray an accurate number of required trips.

Recommendation:

The district should take steps to ensure that requests for proposals (RFP's) for athletics transportation be based upon those of prior years to better reflect the anticipated number of trips required, and hence to enter into more accurate contracts with the vendors.

The district similarly utilizes its own buses for other extra-curricular activities if it can do so without impacting on regular school-to-home transportation. Otherwise, telephone quotes are solicited with Board approval to contract for the required transportation.

Requests for athletic supplies are submitted to the AD by the coaches. He, in turn, submits them to the Board office, where the items are put out for bid. The AD and coaches evaluate the bids and submit their recommendations to the Board office.

The district has on staff a full-time Athletic Trainer, who also teaches one physical education class per day. She is paid on the teachers' salary guide, plus the seasonal stipends, as per the co-curricular guide. Her work day begins at 10:30 AM, and she remains at the school until all practices/games are complete. She attends home games and away varsity football games. She travels with varsity teams in tournaments. The district does not require a physician to attend any sports activities, including varsity football games. The school physician does perform the required sports physicals, with the assistance of the Athletic Trainer and School Nurses.

Overall, the district seems to be doing a good job of containing costs associated with its athletics and extra-curricular programs, while at the same time offering competitive and rewarding programs for its students.

LIBRARY AND MEDIA SERVICES

There is a library within each of the Sayreville school buildings. The libraries are basically open only during school hours, although the high school library is open until 4:30 PM each day. The collections are reportedly current, although it was noted that some are in need of weeding. The review team visited each library, and noted that most of the libraries appear to have sufficient space to accommodate a class as well as other individuals who wish to concurrently visit the library. The exception is the Arleth School. The library was formerly a kindergarten classroom, and is terribly overcrowded. At the time of the team's visit, a class was also present in the library, and there was very little room to walk around. The bookshelves in this room reach to the ceiling, placing many of the books out of reach for these young children.

Recommendation:

As addressed in other sections of this report, the facilities at the Arleth School need improvement, including some provision for expanding the school's library. A recent referendum, which was to have included such an expansion, was defeated by the voters. Some alternative plan should be developed and implemented to relieve the overcrowding in the library, as well as other areas of the Arleth School.

Due to the general lack of technology within the district, the libraries are neither linked to each other nor to the municipal library, which is physically located between the high school and middle school buildings. The school and municipal librarians do work together to try to be prepared to meet the needs of the students for research and reading materials. The elementary librarians teach selected grade levels as determined by the building principals, basically familiarizing the students with the resources available through the library. The high school and middle school librarians conduct classes upon request of the teachers, covering such topics as bibliographies, available resources, etc. Each school library has five computers equipped with CD-Roms for the students' use and one computer with Internet access capability, which is used primarily by the librarians or the teachers. The high school has the most and best technology, where there are 14 work stations, with varying capabilities. Its card catalog is automated. The district is currently in the process of automating the other schools' catalogs, but it is reportedly a very time-consuming process of up to three years for each school, and only one school is being processed at a time. There are no plans to link the systems to each other nor to the municipal library's catalog.

Recommendation:

One of the chief responsibilities of a school librarian is to teach students how to access and evaluate information in order to use it efficiently. Information must be timely to be useful. On-line sources to information, e.g., the Internet, are the most current. The district should provide more Internet accessibility to its students. The district should also take steps to

expedite the automation of the card catalogs in all the schools, to link them to each other, and to the municipal library, to better serve its students.

Staffing of the Sayreville School libraries is lean. Two full-time librarians/media specialists staff the high school library. The middle school has one full time librarian, and the four elementary buildings share two librarians, each of whom is assigned to two schools. The elementary school libraries would not be able to function without the aid of parent volunteers, of whom there are, fortunately, many. This is especially critical on those days when a librarian is not on site at a particular school. The two elementary school librarians operate on a six-day rotation schedule, so they are not available at the schools approximately half the time. The parents keep the libraries open on those days for the students' use. The computers are not available to the students on the days the librarian is not on site. There was some dissatisfaction expressed with this present scheduling arrangement, because it is confusing and does not permit the librarians to provide instruction on a more regular basis. The middle school, which has the highest enrollment in the district, has one librarian with no assistants. The high school library, which is a beautiful, modern facility, lost its clerical support person to budget cuts a few years ago. The librarians feel there is a strong need for this support, but their budget cannot support an additional salary.

Recommendation:

While Sayreville is to be commended for the spirit of volunteerism among its parents and others, the Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends two media specialists at the high school and middle school levels (both standards for schools with enrollments lower than Sayreville's), and one full-time individual for each elementary school at Sayreville's enrollment. The district should consider possibly adjusting its staffing levels and scheduling patterns, particularly in the elementary schools. While the addition to staff of two librarians would be an added cost to the district, the enhanced services to the students justifies the expenditure.

Value Added Expense: \$89,470

HEALTH SERVICES

The Sayreville School District employs one full-time certified school nurse within each of the six school buildings. The student enrollment numbers, and hence the nurses' workloads, at the various schools are approximately as follows:

High School	Middle School	Elementary Schools
1300	1600	400 to 600

The recommendations contained in the Department of Education's Comprehensive Plan for Educational Improvement and Financing indicate that the number of students at Sayreville's middle and high schools could warrant additional nursing personnel. As the situation now exists, there is little, if any, time for the nurses to conduct some of the more proactive programs often offered by districts with lower nurse to student ratios.

The nurses primarily report to their respective building principals, but one school principal is responsible for general district oversight of the nurses for such operational matters as ordering supplies, policy/procedural changes, etc. The services of the district's nurses are pooled for certain screenings and physical examinations. For instance, when scoliosis screenings are conducted at the middle school, the elementary school nurses report there to assist. The nurses are ten-month employees, but sometimes are called upon to assist with physical examinations over the summer, for which they receive additional compensation.

There is no clerical or other support available to any of the nurses. If a nurse will be out on a given school day, she contacts a substitute to fill in for her. In the elementary schools, the nurses also provide other support services, e.g., coverage for the general office at lunchtime, playground duty, etc. There is no automated recordkeeping, so all information is maintained manually. Supplies are obtained through a bid process.

The review team visited all school health offices and spoke with each nurse. The health office facilities appeared adequate in all the buildings. While students did appear at each office for assistance during the team's interviews, the high school nurse's office appeared to be the busiest in the district. This observation was confirmed by some of the other district nurses who have filled in for the high school nurse on occasion. The high school nurse reported that she must complete most of the required paperwork on her own time, because she is caring for the students during her normal work hours. Although students sometimes assist with phones and some copy work, they cannot have access to the confidential files, and hence, cannot do most of the required clerical work.

The nurses are required to prepare and submit monthly statistical health reports to the superintendent's office. The review team noted many problems and inconsistencies with this report. The form is vague and incomplete. The nurses do not report the information consistently, but rather, each apparently interprets the various fields in her way. For example, there is a field for numbers of parent/teacher communications, in which one elementary school reported very high numbers (e.g., 300), and others reported very few or none. Under illness control, some nurses broke out medications administered, and others did not indicate this task at all. There were similar problems noted in almost every field. Even more disturbing to the team was the fact that, reportedly, nothing is done with this information once it is forwarded to the superintendent's office. The individual reports are just filed away.

Recommendation:

The monthly health reports should be revised to elicit accurate and meaningful information. The nurses are busy, particularly in the high school and middle school, and could better spend their time on proactive health programs rather than preparing unnecessary paperwork. The administration should determine if the reports have a purpose, and if they do, input should be sought from the nurses and/or the school's medical inspector as to appropriate format and content to ensure a more consistent and accurate reporting of the health services provided to Sayreville's students.

The district has utilized the same local medical group to provide its medical inspector services for many years. All those interviewed expressed basic satisfaction with the group. There is no contract with the group, and proposals are not sought. There is no retainer fee paid, but rather, the medical group bills for services rendered. These services include sports physicals (@ \$10 each), and school physical examinations (@ \$5 each), Child Study Team evaluations (@ \$60 each), and other miscellaneous employee examinations and vaccinations. It also appears that a significant portion of the billing was for students' working paper physical examinations, although the invoices are unclear, and even the district's business office reportedly has trouble deciphering them. A call was placed to the medical group for this information, and the team was told that the fee is normally \$60 for these examinations. State law requires a physician's certification the first time students apply for working papers. The district pays the fee for this examination if the students use the medical group. Fees paid to the medical group over the past few years were as follows:

1996-97	1995-96	1994-95	1993-94
\$8,931	\$14,025	\$22,934	\$9,612

The wide divergence in amounts was attributed to untimely billing by the medical group.

Recommendation:

The Sayreville School District should seek proposals for its medical inspector services. The district should establish a contract for these services with its current and future providers. While, on average, the charges of its current provider may not seem excessive, it is prudent to put in writing what services are to be provided and at what cost to the district. The district should also require a clearer billing statement from the medical group to facilitate processing of the bills.

TECHNOLOGY

The district has established a Technology Education Steering Committee consisting of administrators, board members, teachers, parents, representatives from the public library and community business members. The district's five-year technology plan was approved by the board of education in December of 1997 and has the following objectives:

- Enhance learning through integration of technology into the curriculum.
- Provide adequate educational resources.
- Provide staff development in the use of technology in the educational process.
- Develop an integrated information processing network.

The district has a record for being conservative in budgeting money for technology and, as a result, the district is behind other comparative districts in the use of computers. Each year a small number of computers are ordered for the schools. The district has no technology director. The

assistant superintendent has assumed this responsibility on a part-time basis. While conducting our review, the district was interviewing for a full time Director of Technology to assume this responsibility and provide the necessary guidance to take the district into the 21st century. The district was able to secure a grant to fund the salary of the director for school year 1998-99, with the objective of making it a permanent position in the budget.

According to the inventory list of computers, the district has approximately 490 computers distributed throughout the schools. This is approximately 50% of the number recommended by the Comprehensive Plan for Educational Improvement and Financing report dated May 1996 which recommends one computer for every five students.

In addition to the district providing computers, the PTO at each elementary school purchases computers for the students and, in some cases, for the principal's office. The PTO's should be commended for their efforts.

School Utilization

The majority of the computers in the elementary schools are Apple/Macintosh based and are antiquated. The district did provide each elementary school with five Pentium personal computers with CD-ROM's and one printer during the 1996-97 school year. This equipment is centralized in the library at each school with one computer connected to the Internet. The computers are "stand alone" and are not linked together in any network schemes. The librarian at each elementary school provides bi-weekly training on reference skills for 3rd and 4th graders and skill reinforcement for 1st and 2nd graders.

The computers in the middle and high school are DOS/Windows based and operate with small hard drives and below average speed. They are centralized in labs, two in the middle school, and three in the high school. Both the middle and high schools offer courses for students in various software applications. The students enjoy the classes offered, but complain about the speed of the computers.

The district has more than 400 programs and CD-ROM's which are kept, primarily, in the libraries and used throughout the district. There are very few classrooms with computers. Most of the computers are on carts, which are wheeled from classroom to classroom when needed. The most frequent utilization of these computers is for basic skills reinforcement.

In addition to the lack of available computers, the Emma Arleth and Wilson Schools have wiring problems in the libraries. The amperage is insufficient to support the computers.

Staff Development

There is no formal training for teachers in the utilization of technology in the classroom. One teacher in the high school provides staff training after school hours and on a voluntary basis. He provides this training at no cost to the district and should be commended for his efforts.

Office Utilization

Office utilization varies from school to school. The main office at each elementary school has two computers, which are utilized as word processors to produce different student lists such as classroom rosters, bus, free and reduced lunches, etc. Some offices utilize them as databases for student attendance. One elementary school utilizes the computer for reporting the N.J. Register while another prepares performance evaluations and other state mandated reports. Most of the functions required from the business office are manually prepared, e.g., budget, bids, and State reports.

The computers at the elementary schools and middle school are not networked together within the office nor school to school. The only computers networked together are in the high school administrative office. The network currently runs word processing, spreadsheet and database applications. The database application is SASI3, which is utilized for student attendance, grade reporting, transcripts, discipline, and biographical information. In addition, the program also provides the master scheduling needs of the school.

The business office has three “stand alone” computers; one for the business administrator, one for the assistant business administrator and one for their secretary. The business administrator utilizes his computer for budget preparation and tracking and for word processing. The assistant business administrator has limited use of his computer and the secretary utilizes her computer for word processing functions. Other personnel in the business office have computers which are connected to a software application known as the AS 400 system. This system is used for various financial operations of the business office like the subsidiary ledger, purchase orders and health benefit information.

Recommendation:

The implementation of technology in the district is substandard in comparison with other public schools in the State. The absence of a full-time director of technology has hindered the district in utilizing the full potential of technology in the classroom and increase business efficiency. A staff development program in the applications of technology for instructional and clerical personnel should be designed and implemented.

It is recommended the board of education be more supportive of the use of technology and provide adequate funding in future budgets to implement the technology plan. In addition, the district should be more proactive in soliciting corporate sponsors to help offset the cost associated with bringing the district more in line with other schools.

TRANSPORTATION

The Sayreville School District efficiently transports its students through a variety of means. The district operates its own fleet of 19 buses, contracts with vendors, utilizes the Middlesex County Educational Services Commission (MCESC) for some jointure routes, and, effective with the 1997-98 school year, participates in another jointure with surrounding districts for other routes. All regular district-owned and contracted routes are stacked in tiers of three or four runs each. The district staggers school start and end times to facilitate this efficient practice. High school routes, which are notoriously under-utilized in all school districts, are over-assigned by as much as 30%, taking into account the fact that these students often drive or get rides to and from school. In addition to regular public school routes, the district buses are utilized to provide transportation for students to parochial and special education locations within the district. Contracted buses are used for some regular route overflows, and out-of-district special education transportation. The jointure arrangements are utilized for special education runs as well. In the 1996-97 school year, Sayreville's buses handled 57 routes. The district contracted for 95 routes with outside vendors, and another 19 through MCESC.

The review team commends Sayreville for its use of various provider sources to meet its students' transportation needs. A recent report issued by the State of New Jersey's Commission of Investigation recommended such a transportation program, which utilizes both publicly owned and contracted buses. Maintenance of a publicly owned fleet provides an alternative to vendor-provided transportation, and the vendors know that they are not the only option. It is believed that such a practice results in more reasonably priced bids, and possible concessions from drivers. In other words, it gives the district more options and control over its transportation costs.

Beginning with the 1997-98 school year, the Sayreville School District has joined with other districts to form a Transportation Round Table. This consortium works to keep transportation costs down by joining routes from among the districts where feasible. In the 1997-98 school year, Sayreville participated in eight such routes, which saved the district an estimated \$35,000.

Recommendation:

The review team commends the district for its participation in the Transportation Round Table group, and recommends that the district consider pursuing others as well. The majority of the districts comprising the current group are, reportedly, not within close enough proximity to Sayreville to facilitate the joining of many routes. The cost of out-of-district transportation is high, and the district should continue to explore innovative ways to reduce or contain them.

The district employs hourly drivers, and a salaried transportation coordinator (who fills in as a substitute driver when necessary), secretary, and mechanic. The drivers are guaranteed 4.5 hours work per day, and receive paid benefits. Substitute drivers are utilized when the regular hourly drivers are not available. Aides are utilized on those special education runs, which require them. Aides and substitute drivers receive no benefits. Almost all bus repairs are handled within district by the mechanic.

The district's buses are equipped with two-way radios, but the transportation coordinator expressed dissatisfaction with the equipment, citing poor reception, and a lot of misdirected calls. In addition, the drivers can only communicate with the two base stations (the coordinator's office and the garage). There have been instances where direct contact with the police department would have been advantageous.

Recommendation:

The Sayreville municipal government is currently installing a new radio system within all its departments. From an efficiency and safety perspective, the school district should consider tying into this system. Not only would the quality of communication improve, but the drivers would be able to communicate directly with the police department and others, as required. The components of this system are costly, so the school district may need to phase into it, perhaps, as its radios need replacing.

In the 1996-97 school year, the district provided courtesy busing for 1,825 public and non-public students. This represents about 1/3 of the total number of non-special education students transported. Courtesy busing is defined as transportation of elementary students who live less than two miles from their school, and secondary students who live less than 2.5 miles from theirs. State code sets these limits, and the district is not funded for transporting students within the limits, as it is for those residing outside the set limits. Sayreville provides courtesy busing as follows:

Grade Level	Distance from Home to School
K to 5	More than .7 miles
6 to 8	More than 1.2 miles
9 to 12	More than 1.8 miles

Transportation is also provided for students living less than these distances if they reside along Board-determined hazardous routes.

With the assistance of the transportation coordinator, the team was able to determine an estimated average cost per student for courtesy busing in Sayreville. Based upon 1996-97 figures, this equals \$218.15. The total cost to the district for courtesy busing in that year was approximately \$398,000. According to the district's annual budget statement supporting documentation for 1996-97, approximately 80% of this courtesy transportation was for non-hazardous routes.

Recommendation:

The review team recommends that the district consider implementing a subscription busing program. Courtesy busing is a costly service for which no State funding is provided. The district could implement a variety of subscription programs, which would result in correspondingly varying amounts of savings. To achieve the greatest savings, the district could eliminate the funding for all courtesy busing, and, instead, require parents to pay the

full subscription cost of transporting the children who live within the State's limits, perhaps exempting those families participating in the district's free or reduced lunch program, based upon family income. Within the district, approximately 14% of the students are participating in this program. Even assuming that all 14% are receiving courtesy busing, if all the other families participated, \$342,000 could be saved.

Variations to this plan could include:

- a) Continuing courtesy busing for those living along the hazardous routes, with subscription fees required of the non-hazardous riders. According to district reports, an estimated 80% of those receiving courtesy busing are of the non-hazardous type. Savings through this plan could total \$273,600.
- b) Setting limits on the total amount payable per family, e.g., requiring the fee for up to two children per family. Even assuming that this provision would eliminate half of the total available, savings would approximate \$171,000.
- c) Splitting the costs with the parents, which could also result in savings of \$171,000.

Cost Savings: \$171,000 - \$342,000

PHOTOCOPIERS

The Sayreville School District owns and/or leases approximately 18 photocopiers within its seven facilities. In the 1996-97 school year, the district paid in excess of \$170,000 in photocopy costs. The three prior years' costs each exceeded \$150,000. The district is continuously engaged in lease/purchase arrangements with vendors for procurement of photocopy equipment. These arrangements normally run for five years, after which the copiers are typically replaced with new copiers, and the 60-month payment process starts anew.

The review team analyzed available detailed costs and usage associated with 12 of the district's copiers in the 1996-97 fiscal year. Based upon this review, it appears that the copiers procured by the district exceed its copying requirements. Many of the copiers have capacities of up to 400,000 copies per month. No copier in the district made more than 150,000 copies in any given month. The lowest available count was 4,300. The overall average monthly per copier volume totaled about 61,000. It was also noted that five copiers, three of which are high speed models making less than 20,000 copies per month on average, are located within one building which is occupied by fewer than 20 employees on a single floor. The review team believes that Sayreville School District's copier usage does not warrant the high volume models in place, nor the number of copiers in, at least, this one location.

Recommendation:

Selection of the number and models of copiers required should be based upon anticipated usage. The district should determine its anticipated photocopy needs, and take steps to right size its equipment to meet those needs. Based upon its volume and number of users, an appropriate number of copiers with appropriate capacities should be determined and maintained. The district may be able to eliminate some of its copiers, and, hence, reduce its costs. As copiers need replacement, the district should first look to reassign under-utilized copiers to meet this need, rather than entering into further costly lease/purchase arrangements.

The State of New Jersey has in place a cost per copy contract, which is available for school districts' use, whereby the customer contracts for *photocopies*, not *photocopiers*. The contract was awarded to various primary and secondary vendors throughout the state, based upon the anticipated number of monthly copies required, and is intended for copiers making on average less than 100,000 copies per month. Under this arrangement, the vendor provides the customer agency with a copier for its use. The agency, or school district, does not rent, lease or buy the copier, but rather purchases the photocopies. All equipment, parts and supplies, with the exception of paper and staples, are included in the monthly fee.

Following is a comparative analysis of costs paid in the 1996-97 school year for the 12 copiers (which includes lease/purchase and/or maintenance payments and meter charges) vs. estimated costs available through the cost per copy contract:

Copier	Average Monthly Volume	Average Monthly Costs	Estimated "Cost per Copy" Monthly Cost	Monthly Savings	Annual Savings
1	58,728	\$1,130.13	\$522.67	\$607.46	\$7,289.52
2	92,918	\$1,299.51	\$826.97	\$472.54	\$5,670.48
3	78,516	\$1,247.45	\$698.79	\$548.66	\$6,583.92
4	61,311	\$1,147.12	\$545.66	\$601.46	\$7,217.52
5	73,338	\$1,227.79	\$652.70	\$575.09	\$6,901.08
6	92,414	\$1,268.97	\$822.48	\$446.49	\$5,357.99
7	88,530	\$1,296.08	\$787.91	\$508.17	\$6,098.04
8	92,698	\$1,322.53	\$825.01	\$497.52	\$5,970.24
9	52,931	\$1,120.68	\$463.14	\$657.54	\$7,890.48
10	18,849	\$292.22	\$183.77	\$112.45	\$1,349.40
11	19,509	\$337.00	\$190.21	\$146.79	\$1,761.48
12	4,343	\$117.03	\$63.40	\$53.63	\$643.56
Total	734,085	\$11,806.51	\$6,582.71	\$5,227.80	\$62,733.60

As mentioned previously, the cost per copy contract includes all supplies other than paper and staples. While the team was unable to associate the cost of supplies with specific copiers, an estimated total of \$11,329 was expended for copier supplies, which would have been included under the cost per copy contract.

Recommendation:

The district should consider utilizing the State's cost per copy contract. Based upon 1996-97 costs, minimally, the supply and cost per copy potential savings are \$11,329 and \$62,734, respectively.

Cost Savings: \$74,063

TELEPHONES AND CELLULAR PHONES

Based upon comparisons with other similar districts, the Sayreville School District seems to contain its telephone costs. The following is a table reflecting these comparative costs, which indicates that Sayreville ranks second lowest among the districts:

Telephone Costs

	1994-95	1995-96	1996-97	Per Pupil Cost (1996-97)
Sayreville	\$80,255	\$ 93,244	\$ 82,032	\$16.59
So. Plainfield	NA	\$103,706	\$ 98,573	\$29.89
Lacey	NA	\$ 91,375	\$101,035	\$22.37
Nutley	NA	\$ 86,486	\$110,539	\$29.11
Bloomfield	NA	\$ 86,580	\$ 87,144	\$16.47

The Sayreville School District does not have a written policy concerning usage of its telephones, including personal usage. Most of the telephone lines within the school district have restricted access, i.e., they can be used to make direct local calls only. Long distance calls from one of these restricted lines must go through a switchboard operator, who records the caller's name and the number called. Generally, nothing further is reportedly done with this information, i.e., the caller is not asked if the call was personal, and hence is not asked to reimburse the district for the call. The administration reportedly does some spot-checking of telephone bills to ascertain if excessive long distance charges are associated with any one line. If so, they look into the matter, and discuss it with the appropriate party.

Recommendation:

Although the Sayreville School District has managed to keep telephone costs relatively low, with over 500 employees in the district, a formal written telephone use policy should be issued, specifically addressing personal calls. Issuance of a policy will undoubtedly result in some savings through reduced and/or reimbursed calls.

It was noted by the review team, that the district is incurring monthly charges for calls to directory assistance. In FY 1996-97, calls to local directory assistance (@ \$.35 per call) totaled \$2,022. Completed calls through directory assistance (@ \$.30) totaled \$166. For long distance directory assistance, the total cost for this period was \$618 (@ \$.85-\$.95 per call).

Recommendation:

Calls to local directory assistance, as well completion of resultant calls via directory assistance, should be discontinued. The team was advised that local telephone directories are provided at all school locations, so their use should be mandated. Calls for long distance directory assistance should be kept to a minimum. Staff should be encouraged to look up and record numbers for future reference whenever possible. Savings of at least 25% in long distance directory assistance calls should be achievable.

Cost Savings: \$2,342

At the time of this review, the district had two cellular phones in use, one by the Maintenance Supervisor and the other by the Athletic Director. The Maintenance Supervisor has had his phone for a couple of years. The phone is reportedly to be used in emergency situations, or when staff redeployments are required. Monthly usage fees for this cell phone in 1996-97 averaged about \$90. A less costly beeper (\$17 per month) was previously utilized, but it was decided that this was ineffective and inefficient. For example, if the supervisor was beeped while up on a school's roof, he needed to climb down the ladder, go into the building and find a phone to use to return the call. A cell phone is much more convenient.

The other phone was just recently purchased for the Athletic Director. Reportedly this phone is to be used solely for emergencies. The particular problem, which precipitated its purchase, was a soccer game at which parents became unruly, requiring police intervention. Without a cell phone, the AD would have had to run into a building to place the call to the police, which would have taken considerably more time. At the time of this review, the average monthly cost for this cell phone was \$40.

Recommendation:

LGBR strongly cautions the district to closely monitor and reduce the use of its cellular phone technology. It is admittedly a convenient resource, but it is also a costly one. The users of this equipment should be reminded of its intended use, and not to use it unless absolutely necessary. Land line phones within the districts' buildings should be utilized in all non-emergency situations. A minimal resultant savings of 25% should be achievable through prudent use of cell phone technology.

Cost Savings: \$390

FOOD SERVICE

An extensive review was conducted of the district's food service program. This included interviews with the food service director, visits to school kitchens and cafeterias to observe operations, and the analysis of various documents. A careful analysis was done on the financial records as reported in the Comprehensive Annual Financial Report (CAFR) for school year 1996-97, which ended June 30, 1997.

According to CAFR and budget guidelines, if a district receives state and/or federal reimbursement for food service costs or collects fees from students for the cost of meals, the entire food service operation activity must be recorded in a separate enterprise fund and not within the general fund of the budget. Any contribution made by the board toward the food service operation is reported as a lump sum contribution transferred to cover any deficits. These costs should not be included elsewhere in the budget. However, if the full cost of the operation is funded by the board, the expenditure should be categorized and reported in the general fund. It should be noted that the district has not subsidized the food service program since 1993.

The Sayreville Board of Education receives state and federal reimbursements and collects fees from the students for meals, therefore, the district reports the entire food service operation in the enterprise fund. Enterprise funds are used to account for operations that are financed and conducted in a manner similar to private business enterprise with the intent that the costs of providing goods or services be financed through user charges.

Scope of Program

The district maintains a total of six kitchens, five of which are satellite kitchens and one a production kitchen. The satellite kitchens are located at each elementary school and at the high school, while the production kitchen is in the middle school. Staffing for the food service program includes two and three quarter full time employees and 42 part-time employees who work three and half hours per day. The two and three quarter employees, who also receive health benefit coverage, are the food service director, the cafeteria manager, and a person in the business office who performs bookkeeping functions for the food service program for three quarters of her time. The part-time personnel do not receive health benefit coverage. In addition, the district employs 17 lunchroom aides for the elementary and middle schools and two police officers for the high school. These employees are paid by the district through the general fund and not through the food service program. The amount incurred for lunchroom aides for 1996-97 was \$55,511 and \$17,200 for police coverage.

During the 1996-97 school year the program served 87,215 free lunches, 41,551 reduced lunches, 202,397 paid lunches, 15,827 a la carte lunch equivalents, and approximately 6,500 lunches to a separate school entity, the Academy Learning Center, for a total of 353,490 lunches served. An estimated 37% or 128,766 of all meals were class A meals which are the basis for calculating State and Federal reimbursements (See Table E).

Financial

During the school year 1996-97, the district charged \$1.70 for a student lunch in the elementary school, \$1.85 in the middle school, \$2 in the high school and \$3 for teachers and staff.

A summary of the food service enterprise fund for the district reveals an operating cost of \$1,003,326 for school year 1996-97 (see table F). This cost was charged against \$1,009,370 in revenue generated from the 353,490 meals served during the school year. The revenue included \$277,037 in reimbursements from the State and Federal government. Based on these revenue and

cost amounts, and the combination of all meals served, each meal cost the district \$2.84 and each meal generated \$2.86 in revenue for the program, for a profit of \$.02 per meal served.

When comparing the percentages of expenses to the industry average, the district is within the normal cost of supplies/materials and food costs, but above the industry average of payroll and miscellaneous costs. The salary for school year 1996-97 for part-time workers was \$10.90 per hour and \$13.77 per hour for cooks. The industry average for cafeteria workers is \$8.00 per hour and \$10.00 per hour for cooks.

Recommendation:

The food service program operates effectively, with revenues exceeding the operational cost of the program. It should be noted that the price of student lunches is the maximum allowable. Not included in the operating cost of the program are the costs for lunchroom aides; \$55,511 for 17 aides assigned to the elementary and middle schools and two policeman employed to assist with cafeteria supervision in the high school at a cost of \$17,200 during the 1996-97 school year. If these costs were charged to the operating expenses of the food services program, which is not a permitted expense in the enterprise fund, the fund would show a deficit.

It is recommended that the district assign high school teachers to handle cafeteria supervision and eliminate the costly practice of employing police. On the occasions when police services are required, the school should utilize them without incurring a cost to do so.

Cost Savings: \$17,200

SOMERVILLE SCHOOL LUNCH PROGRAM

Table E

School	Avg Daily Attendance	Free	Reduced	Paid	A la carte	Total
Arleth	476	4,303	2,795	24,783	1,113	32,994
Eisenhower	545	17,216	8,313	26,397	923	52,849
High	1,191	8,701	4,269	32,195	7,385	52,550
Middle	1,428	28,871	16,515	65,191	4,840	115,417
Truman	597	11,757	4,252	31,815	956	48,780
Wilson	426	16,367	5,407	22,016	610	44,400
Learning Academy		0	0	0	6,500	6,500
Total	4,663	87,215	41,551	202,397	22,327	353,490

TABLE F ENTERPRISE FUND REVIEW

SUMMARY	96-97	
Income from Operations:		
Operating Revenues	\$730,847	72.41%
State Sources	21,124	2.09%
Federal Sources	255,913	25.35%
Interest	<u>1,486</u>	0.15%
Total Revenues	\$1,009,370	100.0%
 EXPENSES		
Cost of Goods:		
Cost of Food	\$470,902	
Less USDA Commodities	<u>(36,663)</u>	
Net Cost of Goods	\$434,239	43.0%
 Total Payroll(includes Benefits):		
Salaries	\$424,734	
Employee Benefits	<u>81,678</u>	
Total Payroll:	\$506,412	50.2%
 Direct Expenses:		
Miscellaneous	\$13,107	1.3%
Supplies/materials	39,707	3.9%
Repairs	<u>9,860</u>	1.0%
Total Direct expense	\$62,675	6.2%
 Total Costs & Expenses:		
Cost of Goods	\$434,239	
Total Payroll	506,412	
Total Costs & Expenses	<u>62,675</u>	
 Total Expenses	\$1,003,326	99.4%
 Net income	\$6,044	0.6%
 Total	\$1,009,370	100.00%
 Number of meals served	353,290	
Revenue per meal	\$2.86	
Cost per meal	<u>\$2.84</u>	
Net profit per meal	\$0.02	

ENERGY EFFICIENCY

The LGBR team reviewed the district's Multi-Year Comprehensive Maintenance Plan, which was adopted by the board in September, 1997. This plan addresses the corrective and preventative activities required to comply with state and federal health and safety requirements. The plan lists the maintenance activities, which have been identified in the district, the anticipated cost for each project, and the timeline for the project. Timelines are determined based on the priority given to the project and, as priorities change or resources are not available, the schedule is revised.

The district has identified the upgrading of lighting in a number of classrooms where lighting does not meet state requirements. The power company (GPU) has also been contacted and an energy audit was discussed. At the present time, the maintenance department is upgrading classroom lighting as part of its summer work schedule.

Recommendation:

The board should enlist the services of GPU in developing a scope of work for an energy audit of the district's facilities. In addition to assisting in the design of the project, GPU will also participate in the engineering costs of the audit (50% of the engineering fee up to \$7,500).

BUILDING SECURITY

The district is cognizant of the importance of security at the schools. The entrance at each elementary school and the middle school is locked after the students arrive and a security camera with an intercom system is located at each entrance. After visitors are permitted entrance, they must report and sign in at the principal's office.

Each school has a burglar alarm system which the night custodians must activate each night. The alarm is connected to the Sayreville Police Department. Either the day custodian or the Supervisor of Buildings and Grounds deactivate the alarm in the morning. If the alarm is set off, the police respond and the Supervisor of Buildings and Grounds is called to check the school. If the Supervisor is not available, a maintenance worker is called to respond. When this occurs, the maintenance worker is paid four hours of overtime, in accordance with the negotiated contract. The alarm also has a time clock, which the district uses to determine when the alarm was engaged and disengaged.

iii. Shared Services

LGBR encourages school districts and municipalities to share services whenever it is possible to do so. In addition to the obvious cost savings associated with combining resources and the improvement of the quality of services, the public's perception of such activities is usually positive.

Recreation- For a number of years district facilities have been used by the Recreation Department of the municipality. To accomplish this, school activities and recreation activities are coordinated to avoid conflicts and to maximize the utilization of these facilities.

Gasoline- The school district purchases fuel for its vehicles from the municipality which eliminates the need for a storage tank for school use and improves the bulk purchasing capability of both entities.

Garbage/Recycling- Garbage and recycling services are provided to the schools by the municipality at no charge.

Energy- The school district participates in a cooperative purchasing program for the joint purchase of natural gas. The sponsoring agency is the Middlesex County Educational Services Commission.

Supplies- As a member of the Middlesex County Educational Services Commission the school district participates in the bulk purchasing of educational supplies and materials when it is beneficial to do so.

Non-Public Schools Compensatory Education- All Chapter 192-193 services for non-public schools which are the responsibility of the Sayreville School District are provided by the Middlesex County Educational Services Commission. The consolidation of these services for all the districts in Middlesex County, is the most cost effective method of providing these mandated services.

Recommendations:

The Sayreville School District should be commended for its participation in cost effective shared services and the administration should continue to investigate additional opportunities for cooperative measures with the municipality and with other school districts. Some recommended areas to pursue are:

- 1. Combine the landscaping needs of both entities into a single bid item. At present, both the school district and the municipality contract for these services independently.**

- 2. Combine vehicle maintenance for the school district and the municipality in a single facility to improve efficiency and service. Presently, the district has a garage to service its vehicles and the municipality is considering construction of a new garage.**
- 3. The school district is presently seeking to hire a technology director and the municipality is in need of someone to provide direction for its management information system. Since the municipality's need is for part-time assistance, the possibility of getting such assistance from the school district should be explored.**
- 4. Cooperative purchasing of supplies and materials used by both entities should be explored.**

IV. STATUTORY AND REGULATORY REFORM

This final section of the review document, Statutory and Regulatory Reform, attempts to identify those areas where existing State regulations and statutory mandates are represented by the district as having an adverse effect on efficient and cost effective local operations. In some respects local school districts are highly regulated by both statute and state regulations and in other areas there remain options for local decision-making. Each review team is charged with eliciting from local officials those regulations that may have this negative impact. The findings summarized below will be presented by LGBR staff to the appropriate state agency for the purpose of initiating constructive change.

VOTER APPROVAL FOR BUDGETS BELOW T&E BUDGET

In order to assure all students an equal opportunity to achieve academic excellence, the legislature passed the Comprehensive Educational Improvement and Financing Act (CEIFA) in 1996. This legislation provides a definition of a “thorough and efficient” (T&E) system of public education, which is mandated by the constitution and, provides an equitable funding system to enable every district to offer such an educational program. The funding system is designed to give every child in the State an equal opportunity to achieve the curriculum standards, which constitute a thorough education. These standards are designed to be a broad set of expected educational results which will guarantee that all students in New Jersey have the knowledge and skills they will need when they graduate from high school.

As part of this legislation, a per-pupil amount needed to support a district offering the programs and services essential to achieving these standards was identified. This cost reflects all of the elements, which were determined to be necessary to meet the thoroughness standards. Core Curriculum Standard Aid (CCSA) is designated to support the level of spending necessary to achieve these standards with the portion of state aid varying according to district financial resources.

Originally, the proposed CEIFA legislation contained a provision whereby districts adopting budgets within or below the T&E range, as determined by the State, and below or at cap were not required to submit such budgets to the voters for approval. Instead, such budgets would be subject to approval by the Commissioner. This provision was removed prior to approval by the Legislature, which meant that districts falling into this category still required voter approval. In Sayreville, voter approval has proven to be a rare occurrence.

In the last 30 years, the Sayreville School District has experienced 25 defeated budgets. In questioning the reason for this pattern of budget rejection, the most frequent response from board members, staff members and community residents was a concern about tax increases. In 1997 Sayreville ranked fourth among the 25 municipalities in Middlesex County in effective tax rates, ranked low to high. As noted in this report, Sayreville’s educational cost on a per-pupil basis is the lowest among the 84 K-12 school districts with enrollments of more than 3,500 students. The district has consistently maintained one of the lowest costs per-pupil, according to the

Comprehensive Spending Guide, published by the New Jersey Department of Education. Should this pattern of budget defeats continue, and there is a likelihood that it will continue, this school district will not be able to provide the programs necessary to meet the standards established by the Department of Education. A good example of this inability to address these standards is in the area of technology, an area in which Sayreville has not allocated the necessary resources to provide programs consistent with the requirements of the thoroughness standards, because of repeated budget defeats.

Local officials have recommended that the State reconsider eliminating the need for voter approval on a proposed budget that is at, or below, the T&E budget level and at, or below, the cap established for the district.

LOCAL GOVERNMENT BUDGET REVIEW TEAM

James A. DiEleuterio, State Treasurer
David Mortimer, Associate Deputy State Treasurer
John J. Coughlin, Director, Local Government
Budget Review Program
Robert J. Mahon, Deputy Director, Local Government
Budget Review Program

Borough of Sayreville Review Team

Robert Mahon, Team Leader
Debra Hutchinson
Michael Weik